OUTLINE OF MARX'S CAPITAL

VOLUME ONE

By Raya Dunayevskaya
(Freddie Forest)

News & Letters
36 S. Wabash
Room 1440
Chicago, IL 60603

$2.50

Published by
News and Letters Committees
2832 East Grand Blvd.
Detroit, Mich. 48211

AN INTRODUCTORY NOTE

It was the deep, structural economic crisis of 1974-75 that brought forth a new English translation of Capital, the greatest of Marx's theoretical works. * At the same time, it was both the urgency of understanding today's global crisis and the need to answer the vulgarizations contained in the Introduction to that new edition by the Trotskyist-Marxist, Ernest Mandel, that led News and Letters Committees to reproduce, in 1978, the four chapters by Raya Dunayevskaya on all three volumes of Capital that had first appeared in Marxism and Freedom in 1957. **

All crises have called upon a new re-examination of Marx's Capital and its historic laws of motion. Thus, the Outline of Capital we are reproducing here was prepared in the mid-1940s, when it had become clear that the totality of the crises which culminated in World War II had ushered in a whole new economic stage -- state-capitalism -- as well as a new stage of revolt, arising within each orbit, against both Russia and the U.S. Although Raya Dunayevskaya did not develop the dialectic in the Outline as deeply as it was later to be developed in both Marxism and Freedom and Philosophy and Revolution, we reproduce it here in response to requests from students who wish seriously to study Marx's work, because it can now be studied together with both the section on Capital from Marxism and Freedom, and the section on "The Adventures of the Commodity as Fetish" from Philosophy and Revolution.

It was precisely that new and original Marxian category, "Fetishism of Commodities" which has been made pivotal for our age by the birth of a new generation of revolutionaries and a new Third World, who have demonstrated in life that it is not only the so-called "advanced" countries, but all humankind which is determined to destroy the false idols that keep us imprisoned under capitalism and begin the creation of a new, human society of freely associated men and women.

-- News and Letters Committees
August, 1979

---

* Ben Fowkes' translation was published by Penguin Books, London, 1976. It is available also from Vintage Books, New York, 1977. Because the pagination of the quotations from Capital in the original Outline is for the Kerr edition, we have appended a list of comparable pages for the more readily available Vintage/Penguin edition.

** See Marx's Capital and Today's Global Crisis by Raya Dunayevskaya. Copies of this pamphlet, as well as Marxism and Freedom and Philosophy and Revolution are available from News & Letters, 2832 E. Grand Blvd., Detroit, Mich. 48211. See back page ad.

CONTENTS

	Pages
PREFACE - How To Teach CAPITAL	1
SECTION I - INTRODUCTION	
Lecture 1 - The Aim, Structure and Scope of CAPITAL	4
SECTION II- THE PHENOMENA OF CAPITALISM: THE BUYING AND SELLING OF COMMODITIES	
Lecture 2 - Part I, Chapter 1	8
Lecture 3 - Part I, Chapters 2-3	12
Lecture 4 - Part II	15
SECTION III-THE ESSENCE OF CAPITALISM;	
A: THE CAPITALIST LABOR PROCESS	
Lecture 5 - Part III, Chapters 7-9	19.
Lecture 6 - Part III, Chapters 10-11	23
Lecture 7 - Part IV, Chapters 12-14	27
Lecture 8 - Part IV, Chapter 15	30
Lecture 9 - Part V	32
B: THE RESULTS OF THE CAPITALIST LABOR PROCESS: The Transformation of the Value of Labor Power into Wages	
Lecture 10 - Part VI	33
SECTION IV - THE LAW OF MOTION OF CAPITALIST SOCIETY	
Lecture 11 -Part VII, Chapters 23-24	35
Lecture 12 -Part VII, Chapter 25	41
Lecture 13 -Part VIII	46
SECTION V - CONCLUSION	
Lecture 14	49

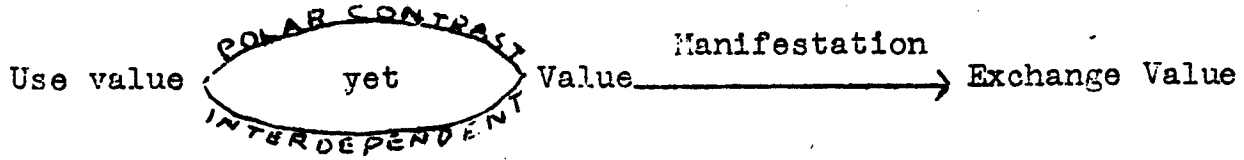
PREFACE

How To Teach CAPITAL

It is possible to teach CAPITAL in fourteen lectures. A few elementary suggestions will facilitate the orientation of both teacher and pupil. For example, chalk and a blackboard do a lot to make visual complex formulae. It is easier to remember any formula when it is written white on black than when it is spoken. It also becomes a matter of course under these circumstances to initial oft-repeated Marxian categories. This is true not only of such expressions as constant capital (c.c.), variable capital (v.c.) and surplus value (s.v.) but even the lengthier and never-abbreviated one, socially-necessary labor time (s.n.l.t.).

With the exception of the introductory and concluding lectures, questions are appended at the end of each lecture. However, a word of caution is necessary. The question and answer method does not lend itself too well to the study of Part I. The questions, however, can be of help here too, provided the teacher is well aware that it is as essential to grasp Marx's dialectic method as it is to comprehend the economic analysis. In fact, unless we get hold of this <u>method</u> of analysis, the analysis itself cannot be fully understood. It is necessary, therefore, to emphasize that if we were to answer "use-value and value" to the question: "What are the characteristics of a commodity?" we simply would not begin to cover the importance of the two-fold nature of commodities. This is so because the "and" in this case is not so much a conjunction as a counterposition, that is, it is a use-value <u>on the one hand</u> and a value <u>on the other hand</u>.

In the use-value and value of a commodity is contained, in germ the whole contradiction of the capitalist system; it is the reflection of the class struggle itself. It is important, therefore, that along with the questions, the teacher devise key sentences to this section to help the student comprehend not merely the answer to the question, but the method of answering. Here is an example: The teacher explains that the key sentence for section 1 of Chapter I is - the two factors of a commodity, use-value and value, are of polar contrast and yet are interdependent. Here, too, the blackboard does much to make the meaning stick. Written out on the blackboard, this key sentence, extended also to include exchange value, would look like this:



Chapter I is the most difficult section of all of CAPITAL. Hence, a lot of work should be put into it. In addition to the outline of the lecture, the questions, the key sentences, attention should be drawn to the examples of historical materialism contained in it. I have appended a partial listing of

them at the end of the questions.

Cross references are important both because they include various aspects of the same question, and because they help keep the student interested since they give him a bird's dye view of the sections of the book far ahead of the particular one being studied. Cross references are included both within the text of the outline and in some questions.

Three methods of teaching may be applied throughout the course:

I. A student is asked to be teacher for one session, or

II. The class is divided into four sections and each section is asked to read a particular chapter and submit, in written form, two types of questions: (1) the kind the pupil would like to have explained to him, or (2) the kind the pupil would ask if he were teacher. This method should be used toward the end of each part of the work covered. The questions should be read out to the class and analyzed from two points of view: (1) whether the teacher had made himself understood by dealing with the questions the pupils had in mind, and (2) to compare the different reactions to the same material by the different students, which generally depend on what previous acquaintance with the subject each had.

III. The material that is to be dealt with in the given lecture is divided up and assigned to various students who are <u>not</u> asked to make a report. However, while the teacher is delivering the lecture, he stops and directs questions to the students regarding the special assignments each was to cover.

The first lecture is of primary importance because it does much to decide whether the students will remain throughout the course or whether they will drift away. This introductory lecture, entitled "The Aim, Structure and Scope of CAPITAL" comprises the prefaces to CAPITAL, the Marx-Engels correspondence regarding the work and an explanation of the structure of the eight parts of CAPITAL.

The teacher should note the contents page where the fourteen lectures are listed under five divisions: (I) Introduction; (II) The Phenomena of Capitalism: the Buying and Selling of Commodities; (III) the Essence of Capitalism which is subdivided into (1) The Capitalist Labor Process or the Production of Surplus Value and (2) The Results of the Capitalist Labor Process or the Transformation of the Value of Labor Power into Wages; (IV) The Law of Motion of Capitalist Society; and (V) Conclusion. These divisions will help in giving the lectures a certain cohesiveness and direction, instead of letting each individual lecture hang by itself.

By the time the members of the class have reached the end of this course, they should be well aware of the fact that CAPITAL has not been studied as "theory for theory's sake," but as a guide to action. In the ensuing discussion the class should be encouraged to try to apply the main postulates of CAPITAL to the American economy. Stress should

Done.

therefore be laid on Trotsky's Living Thoughts of Karl Marx, where he does precisely that.

No method of teaching CAPITAL can be an adequate substitute for its serious study by each individual. It is hoped that this outline will lead the student to such study. In addition to CAPITAL, the following reading should be undertaken:

Marx:	Critique of Political Economy The Critique of the Gotha Programme
Engels:	Review of Marx's Critique of Political Economy On Capital
Marx-Engels:	Correspondence
Lenin:	The Teachings of Karl Marx
Trotsky:	Living Thoughts of Karl Marx
Blake:	An American Looks at Karl Marx
Sweezy:	The Theory of Capitalist Development, Part I
Lobb:	Political Economy and Capitalism, Chapters I-IV
Roll:	A History of Economic Thought, Chapters V-VII
Robinson:	An Essay on Marxian Economics

All references to CAPITAL, except where otherwise specified, are to the Kerr Edition. If possible the teacher should try to get a copy of the Dona Torr Edition (International Publishers 1939) as that includes Marx's historic preface to the French edition of CAPITAL and other valuable notes.

SECTION I

INTRODUCTION

Lecture I

The Aim, Structure and Scope of CAPITAL

The Aim and the Method

"It is the ultimate aim of this work," Marx writes in the Preface to Volume I, "to lay bare the economic law of motion of modern society." (p.14) This aim is as far removed from the subject matter of bourgeois economics as is the espousal of revolution from the defense of the status quo.

Marxism is wrongly considered to be a new "political economy." It is true that, loosely speaking, even Marxists refer to Marx's analysis of capitalist production as "Marxian political economy". But "Marxian political economy" is, in reality, a critique of the very foundations of political economy, which is nothing else than the bourgeois mode of thought of the bourgeois mode of production.

Marx subtitled CAPITAL, "A Critique of Political Economy". It would have been impossible fully to analyze the laws of development of the bourgeois mode of production through an "extension" of political economy since political economy deals with economic categories, such as, commodities, wages, money, profits, as if they were things instead of expressions of social relations. It is true, of course, that man's cardinal tie in this society is exchange, and that this makes social relations appear as relations of things. But these things belie, instead of manifest, the essence. To separate the essence--the social or class relations--from the appearance--the exchange of commodities--required a new science. This new science--Marxism--means the application of dialectics to the developmental laws of the bourgeois economic system.

"Hegel's dialectic is the basic form of all dialectic," Marx wrote to Kugelman, "but only after it has been stripped of its mystical form, and it is precisely this which distinguishes my method." (Marx-Engels Correspondence, p.234) In the Preface to CAPITAL Marx explains that dialectics, in its rational form, is "the comprehension of the affirmative recognition of the existing state of things, at the same time also the recognition of the negation of that state, of its inevitable breaking up." Engels defines dialectics as "the science of the general laws of motion both of the external world and of human thought." (Ludwig Feuerbach) To discern the law of motion of capitalist society, its inevitable collapse, one has to be capable of seeing this specific mode of production for what it is--an historic stage in the development of social production.

The Historical Approach

The multitude of productive forces available to men determine the nature of their society. Man is essentially a tool-making animal, and the process of the production of his material life, the process of labor, means the process of the growth of the productive forces and his command over nature. "Industry," Marx explains, "is the real historic relation of nature, and consequently of the science of nature, to man." (Private Property and Communism, in Russian and German only)

The industrial revolution, the progress of natural science, and the general technological advance have so revolutionized the mode of production that there is, finally, the basis of true freedom--freedom from want and from exploitation. However, "in the first instance" (this phrase Marx uses to refer to the entire history of capitalism) this has taken the contradictory form of labor's enslavement to capital.

This capital-labor relationship Marx sets out to analyze with the theoretical tool first discovered by classical political economy--the labor theory of value. If labor is the source of value, as the classicists discovered, then it is also the source of surplus value, says Marx. This logical conclusion from its own theory, classical political economy could not deduce because, Marx explains, it could not get out of its "bourgeois skin". It viewed the capital-labor relationship as a law of nature, instead of a law of an historic mode of production.

"In so far as Political Economy remains within that [bourgeois] horizon, in so far, i.e., as the capitalist regime is looked upon as the absolute final form of social production, instead of a passing historical phase of its evolution, Political Economy can remain a science only so long as the class-struggle is latent or manifests itself only in isolated and sporadic phenomena." (p.17) That period began in 1776, with the publication of Adam Smith's Wealth of Nations, and ended with the definitive edition of Ricardo's Political Economy, in 1821.

With the full conquest of political power by the bourgeoisie in the revolutions of 1830, "The class struggle practically as well as theoretically took on more and more outspoken and threatening forms. It sounded the death-knell of scientific bourgeois economy. It was thenceforth no longer a question whether this theorem or that was true, but whether it was useful or harmful. In place of disinterested enquirers there were hired prize-fighters." (p.19) The period, 1820 to 1830, marks the close of the classical period and is characterized by Marx as the "Disintegration of the Ricardian School". The peak of the classical period was reached in the work of Ricardo. Political economy as an independent science could go no further, and went no further.

The Structure and Scope

Marx wrote A Contribution to the Critique of Political Economy in 1859. This was the first form in which his major theoretical work was written. He had put in most of his adult life in studying and analyzing the bourgeois mode of production before he published this work, and another eight years elapsed before this work was rewritten and assumed definitive shape as the first volume of CAPITAL. What method was used to sift all the mass of data, and how was it molded to assume the structure that we now have?

Marx tells us: "In the method of treatment the fact that by mere accident I have again glanced through Hegel's Logic has been of great service to me..." (Marx-Engels Correspondence, p.102) And Engels writes Conrad Schmidt: "If you just compare the development of the commodity into capital in Marx with the development from Being to Essence in Hegel, you will get quite a good parallel from the concrete development which results from facts..." (Ibid, p.495)

With this in view it is easy to see that the eight parts into which CAPITAL is divided, can be comprised within three general sections:

(I) The Phenomena of Capitalism, or the Buying and Selling of Commodities. Under this heading are included Part I, Commodities and Money, and Part II, The Transformation of Money into Capital.

(II) The Essence of Capitalism--The Capitalist Labor Process. This section is subdivided into two: (1) The Production of Absolute and Relative Surplus Value, which includes Parts III, IV and V; and (2) The Results of the Process of Production, or the Transformation of the Value of Labor Power into Wages. (Part VI)

It is true that wages is the phenomenal appearance of the value of labor power, but since he deals with this phenomena after he has dealt with the essential labor process, Marx discusses it in essential terms. Thus, while considering the buying and selling of labor power while we were in the market, in Part II, Marx wrote that the laborer "and the owner of money meet in the market, and deal with each other as on the basis of equal rights, with this difference alone, that one is buyer, the other seller; both, therefore, equal in the eyes of the law," (p.186) Marx, now that we have examined the inner abode of production, writes of this same money relationship, thus: "This phenomenal form, which makes the actual relation invisible, and, indeed, shows the direct opposite of that relation, forms the basis of all the juridical notions of both laborer and capitalist, of all the mystifications of the capitalistic mode of production, of all its illusions as to liberty, of all the apologetic shifts of the vulgar economists," (p.591)

(III) The Law of Motion of Capitalist Society. Under this heading can be comprised Part VII, The Accumulation of Capital, and Part VIII, The Socalled Primitive Accumulation. Where the first (Part VII) is the theoretical culmination of the book, the second (Part VIII) depicts the historical beginnings of capitalism. However, theory and history are not divided, but interwoven, and it is precisely in the historical section, where Marx includes the justly famous "Historical Tendency of Capitalist Accumulation", thus:

"Along with the constantly diminishing number of magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized, by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated." (pp.836-837)

Within the framework of Marx's own description of the aim of his work, the dialectic method by which he hopes to accomplish his aim, and the structure into which he molds his analysis of "the capitalist mode of production, and the conditions of production and exchange corresponding to that mode", it should not be too difficult to begin the study of CAPITAL.

SECTION II

THE PHENOMENA OF CAPITALISM: BUYING AND SELLING OF COMMODITIES

Lecture 2

Part I, Chapter 1

Use-Value and Value

"The wealth of those societies in which the capitalist mode of production prevails," Marx writes at the beginning of the work, "presents itself as 'an immense accumulation of commodities', its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity." (p.41)

Marx begins his analysis of a commodity with a description of its two-fold nature: use value and value. "As values all commodities are only definite masses of congealed labor time." (p.46) It is important to note that Marx mentions, but does not here stop to analyze the form of value, which is exchange value. Rather he proceeds directly to the crucial point, which is not the dual form of the commodity, but the dual form of labor.

"I was the first to point out and to examine critically this two-fold nature of the labour contained in commodities," Marx writes. "As this is the pivot on which a clear comprehension of political economy turns, we must go more into detail." (p.48) It is impossible to understand Marxist political economy without a thorough understanding of the pivot on which it revolves.

First, Marx explains the antagonism latent in the two-fold character of labor: "An increase in the quantity of use values is an increase of material wealth. With two coats two men can be clothed, with one coat only one man. Nevertheless, an increased quantity of material wealth may correspond to a simultaneous fall in the magnitude of its value. This antagonistic movement has its origin in the two-fold character of labor." (p.53)

In order to comprehend this, we must keep clearly in mind this two-fold character: abstract labor creats value and concrete labor creats use values. "On the one hand, all labor is speaking physiologically, an expenditure of human labor power and in its character of identical abstract human labor it creates and forms the value of commodities. On the other hand, all labor is the expenditure of human labor power in a special form and with a definite aim and in this, its character of concrete, useful labor it produces use-values." (p.54)

Value Forms

Marx next considers the value forms of a commodity. These four forms are: (1) the elementary or accidental form of value;

(2) the total or expanded form; (3) the general form; and (4) the money form.

(The teacher will have to be patient in going over this section where Marx is very dialectical and the concepts are quite complex. The task will be made easier, however, if the historical development is constantly held in view. As for example, the following.)

The first or elementary form - 20 yards of linen equal one coat - shows us not only the theoretical aspect of the development of a commodity but its historic root: "...the elementary value-form is also the primitive form under which a product of labor appears historically as a commodity and the gradual transformation of such products into commodities, proceeds pari passu with the development of the value-form." (p.71)

Note how the historical approach is used to explain why such a great thinker as Aristotle could not see that it is the common substance of human labor, which makes such different use-values as beds and houses commensurate in certain proportions:

"There was, however, an important fact which prevented Aristotle from seeing that, to attribute value to commodities, is merely a mode of expressing all labor as equal human labor and consequently as labor of equal quality. Greek society was founded upon slavery and had, therefore, for its natural basis, the inequality of men and their labor powers. The secret of the expression of value, namely, that all kinds of labor are equal and equivalent because and so far as they are human labor in general cannot be deciphered until the notion of human equality has already acquired the fixity of a popular prejudice." (p.69)

Before leaving the section dealing with the form of value or exchange value, let us bear in mind what Marx says on page 70: "When at the beginning of this chapter, we said, in common parlance, that a commodity is both a use-value and an exchange value, we were, accurately speaking wrong. A commodity is a use-value or object of utility and a value. It manifests itself as this two-fold thing, that it is, as soon as its value assumes an independent form - viz. - the form of exchange value. It never assumes this form when isolated but only when placed in a value or exchange relation with another commodity of a different kind."

The Fetishism of Commodities

As important as the concept of value in Chapter I is the concept of the fetishism of commodities. To stamp an object of utility as a value, says Marx, is as much a social product as is language. Whence, indeed, arises the enigmatical character of products of labor so soon as they assume the form of commodities? "Clearly," answers Marx, "from this form itself." It is this form which makes "a definite social relation be-

tween men" assume "the fantastic form of a relation between things." (p.83) This is the fetishism of commodities. (Italics mine F.F.)

"Value does not stalk about with a label describing what it is. It is value, rather, that converts every product into a social hieroglyphic." (p.85)

"The categories of bourgeois economy...are forms of thought expressing with social validity the conditions and relations of a definite historically determined mode of production, viz., the production of commodities. The whole mystery of commodities, all the magic and necromancy that surrounds the product of labor as long as they take the form of commodities, vanish, therefore, so soon as we come to other forms of production." (p.87)

In other societies, where the product of labor did not assume the form of a commodity, social relations were clear: "Compulsory labor is just as properly measured by time, as commodity-producing labour; but every serf knows that what he expends in the service of his lord, is a definite quantity of his own personal labour-power. The tithe to be rendered to the priest is more matter of fact than his blessing. No matter, then, what we may think of the parts played by the different classes of people themselves in this society, the social relations between individuals in the performance of their labor, appear at all events as their own mutual personal relations, and are not disguised under the shape of social relations between the products of labor." (p.89)

Finally, Marx shows that only production by freely associated men will hold no mysteries. "The life-process of society, which is based on the process of material production does not strip off its mystical veil until it is treated as production by freely associated men and is consciously regulated by them in accordance with a settled plan." (p.92)

Questions

1. What is the two-fold nature of commodities?
2. How is the socially-necessary labor time defined?
3. Explain: "As values, all commodities are only definite masses of congealed labor-time."
4. What is the two-fold character of labor? Why does Marx call this the pivot of political economy?
5. What is abstract labor? What is concrete labor? Why is there an antagonistic movement between the two?
6. How may an increase in the quantity of use-values nevertheless correspond to a fall in the magnitude of value?
7. What is exchange-value? How does it differ from use-value? From value?
8. State the four manifestations of exchange-value.
9. What is the meaning of the expression "Value of commodi-

ties has no form apart from their bodily form"? How is this statement related to the relative form of value?

10. State the three peculiarities of the equivalent form of value.
11. How does use-value become "the form of manifestations, the phenomenal form of manifestation of its opposite, value."?
12. How is it that the elementary value form is also "the primitive form under which a product of labour appears historically as a commodity"?
13. What is the defect in the total or expanded form of value?
14. Explain: "Gold is now money with reference to all other commodities only because it was previously, with reference to them a simple commodity." What determines the value of gold?
15. Does the mystical character of commodities arise from their use-value? Whence does it?
16. Explain: "There it is a definite social relation between men, that assumes, in their eyes the fantastic form of a relation between things." Is this what Marx calls the "fetishism of commodities"?
17. How does the law of value assert itself? Why?
18. How do the categories of bourgeois economy express the conditions and relations of production?

Examples of Dialectical Materialism:

1. Hegel on reflex categories; king-subject relationship. (p.66, ftn.)
2. Aristotle's thinking limited by the Greek society based on slave labor. (p.69)
3. Relationship of elementary form of value to a definite historical period. (p.71)
4. Social relations of men hidden under the fantastic form of relations between things. (p.83)
5. Assertion of law of value in societies unconscious of its operation. (p.86)
6. Relationship of economic categories to mode of production. (p.87)
7. How compulsory labor appeared under other economic orders. (p.89)
8. Immature development of men as individuals and the relationship of this to ancient forms of production. (p.91)
9. Relationship of "freely associated men" to planning; failure of political economy to grasp reason why "labour is represented by the value of its product and the labour time by the magnitude of that value." (p.92)
10. Relations of production and superstructure of society. pp.92-93 (footnotes)
11. Relationship of Proudhon's "ideal of justice" to the production of commodities.

Lecture 3

Part I, Chapters 2 and 3

Exchange and Money

Marx now deals with "Exchange": "It is plain that commodities cannot go to market and make exchanges of their own account. We must therefore have recourse to their guardians who are also their owners...They must, therefore, mutually recognise in each other the right of private proprietors. This juridical relation, which thus expresses itself in a contract, whether such contract be part of a developed legal system or not, is a relation between two wills, and is but the reflex of the real economical relation between the two." (p.96)

Marx next considers "Money, or the Circulation of Commodities", the concluding chapter in Part I. Here he deals with the two aspects of money: (1) as a measure of value, and (2) as a standard of price. "As measure of value and as standard of price, money has two entirely different functions to perform. It is the measure of value as it is the socially recognised incarnation of human labour; it is the standard of price inasmuch as it is a fixed weight of metal. As the measure of value it serves to convert the values of all the manifold commodities into prices, into imaginary quantities of gold; as the standard of price it measures those quantities of gold."(109)

Before analyzing the formula, C-M-C,(commodity, money, commodity) let us observe the all-important concept of "socially-necessary labor time", in its relationship to the total labor time of a community and as reflected in the market sale. After establishing the fact that the price "is merely the money-name of the quantity of social labor realised in his commodity", (p.120) Marx proceeds to cite an example where, "without the leave, and behind the back, of our weaver, the old fashioned mode of weaving undergoes a change. The labor time that yesterday was without doubt socially necessary to the production of a yard of linen, ceases to be so today, a fact which the owner of the money is only too eager to prove from the prices quoted by our friend's competitors...Lastly, suppose that every piece of linen in the market contains no more labor time than is socially necessary. In spite of all this, all these pieces taken as a whole, may have had superfluous labor time spent on them. If the market cannot stomach the whole quantity at the normal price of two shillings a yard, this proves that too great a portion of the total labour of the community has been expended in the form of weaving." (p.120)

Just as the emphasis here is laid on the socially necessary labor time and not on the market, so the stress, in the question of the formula for the circulation of commodities, is put on the commodity, and not on the money: "...the result brought about by the circulation of commodities, namely, the

replacing of one commodity by another take the appearance of having been effected not by means of the change of form of the commodities but rather by the money acting as a medium of circulation...Hence, although the movement of money is merely the expression of the circulation of commodities, yet the contrary appears to be the actual fact, and the circulation of commodities seems to be the result of the movement of money." (p.130)

Purchase, Sales and Crisis

Furthermore, the formula, C-M-C, expresses two separate acts--C-M and M-C; hence, there is an interval of time between selling the commodity for money and using the money to buy another commodity. If the split between sale and purchase is too great these two antithetical acts may produce a crisis. Marx points out that this money crisis only reflects the deeper, underlying contradiction between use-value and value:

"The antithesis, use-value and value; the contradictions that private labour is bound to manifest itself as direct social labor, that a particularized concrete kind of labor has to pass for abstract human labour; the contradiction between the personification of objects and the representation of persons by things; all these antitheses and contradictions, which are immanent in commodities, assert themselves, and develop their modes of motion, in the antithetical phases of the metamorphosis of a commodity." (p.128)

Note well the phrase, "the contradiction between the personification of objects and the representation of persons by things". (The latter part of the phrase is sometimes translated as "the reification of people".)

In the analysis of the contradictory nature of a commodity--the contradiction between use-value and value--Marx presents us with the basis of analysis of the whole of capitalist production, and hence of capitalist society. That does not mean that Marx in any way avoids dealing with the question of circulation, but merely that he gives it its properly subordinate place. It is true, in fact, as Marx does not hesitate to stress, that "Circulation sweats money from every pore", and that "the exchange of commodities breaks through all local and personal bounds inseparable from direct barter, and develops the circulation of the products of social labor." But the essence is that the crisis is inherent in the contradiction between use-value and value.

Moreover, money, as Marx shows in the section on money as means of payment, is related to the more fundamental question of class relations: "The class struggles of the ancient world took the form chiefly of a contest between debtors and creditors, which in Rome ended in the ruin of plebeian debtors. They were displaced by slaves. In the middle ages the contest ended with the ruin of the feudal debtors, who lost their political power together with the economical basis on

which it was established. Nevertheless, the money relation of debtor and creditor that existed at these two periods reflected only the deeper-lying antagonism between the general economical conditions of existence of the classes in question."(152)

- - -

We have now completed Part I. The teacher should now test the pupils as to their understanding of the "law of value" as it manifests itself in the market. Let them turn back to page 86 and grapple with the following:

"It requires a fully developed production of commodities before, from the accumulated experience alone, the scientific conviction springs up, that all the different kinds of private labour, which are carried on independently of each other, and yet as spontaneously developed branches of the social division of labour, are continually being reduced to the quantitative proportions in which society requires them. And why? Because in the midst of all the accidental and ever fluctuating exchange-relations between the products, the labour-time socially necessary for their production forcibly asserts itself like an over-riding law of nature." (p.86)

Questions

1. What is the relation between the act of exchange and the real economic relationship.
2. What is the distinction between money as measure of value and as standard of price?
3. Does the movement of money express the circulation of commodities, or is the circulation of commodities the result of the movement of money?
4. What is the formula for the circulation of commodities?
5. Explain: "Circulation sweats money from every pore."
6. How does the total labor time of society influence the magnitude of value of a single commodity?
7. How is the socially necessary labor time required for the production of commodities related to market requirements?
8. Is a purchase always a sale, and a sale a purchase? When does their "oneness assert itself by producing--a crisis"?
9. How is the total quantity of money circulating during a given period determined?

Lecture 4

Part II

The Formula of Capital

Instead of C-M-C, the formula for the circulation of commodities, the formula for the transformation of money into capital is M-C-M'.

"The simple circulation of commodities--selling in order to buy," writes Marx, "is a means of carrying out a purpose unconnected with circulation, namely, the appropriation of use-values, the satisfaction of wants. The circulation of money as capital is, on the contrary, an end in itself, for the expansion of value takes place only with this constantly renewed movement." (p.169)

The formula, M-C-M', is thus the true manifestation of capitalist production. And "the conscious representative" of the movement of money, its possessor, is the capitalist: "His person, or rather his pocket, is the point from which the money starts and to which it returns. The expansion of value, which is the objective basis or main-spring of the circulation M-C-M, becomes his subjective aim, and it is only in so far as the appropriation of ever more and more wealth in the abstract becomes the sole motive of his operations, that he functions as a capitalist, that is, as capital personified and endowed with consciousness and will. Use-values must therefore never be looked upon as the real aim of the capitalist; neither must the profit on any single transaction. The restless never-ending process of profit-making alone is what he aims at." (p.170)

Just as Marx emphasizes in the above passage that profit-making is only the capitalist's subjective reaction to the expansion of value, which is the objective basis of the circulation M-C-M', so Marx also stresses that in the process of production itself it is value which is "the active factor in such a process." (p.172) That will be developed at great length by him when we come to the actual process of production.

The general formula of capital, M-C-M', has contradictions inherent in it. What we are faced with here is that, although commodities are sold at their value, yet more value has to be withdrawn from circulation than was thrown into it by Mr. Moneybags. (Note that Marx does not call the possessor of money a capitalist until we reach the process of production where capital is created.) "These," state Marx, "are the conditions of the problem. Hic Rhodus, hic salta!" (185)

In order to meet the conditions of the problem, Mr. Moneybags must be in a situation where he can find in the market a peculiar commodity "whose use value possesses the peculiar property of being a source of value." (p.186)

The possessor of money finds in the market just such a commodity. It is called labor power.

Labor Power

"The exchange of commodities itself," says Marx, "implies no other relations of dependence than those which result from its own nature." (p.186) Marx does not stop here to explain what are the relations of dependence which do result from its nature because he is still the market analyst and in the market freedom and equality reign supreme. We will have to leave this sphere where "alone rule Freedom, Equality, Property and Bentham", this "sphere of simple circulation or exchange of commodities which furnishes the 'Free trader Vulgaris' with his views and ideas" before we see revealed the real secret of how money begets more money.(195-6)

(Compare this description of equal commodity owners with cross-reference on p.592, where the exchange between capital and labor is referred to as a "guise".)

In this chapter on the buying and selling of labor power Marx explains that the worker is free in the double sense, that as "a free man he can dispose of his labor power as his own commodity and that, on the other hand, he has no other commodity for sale, is short of everything necessary for the realisation of his labor power." (pp.187-8; cross ref.,p.785)

In the course of this discussion on labor power, Marx demonstrates that, whereas commodities have been produced in other forms of societies, the appearance of capital, or capitalist production, dates from the appearance of labor power itself in the form of a commodity: "The capitalist epoch is therefore characterized by this, that labor-power takes in the eyes of the laborer himself the form of a commodity which is his property; his labor consequently becomes wage labour. On the other hand, it is only from this moment that the produce of labor universally becomes a commodity." (189, ftn.)

Further, "One consequence of the peculiar nature of labor power as a commodity is that its use-value does not, on the conclusion of this contract between buyer and seller, immediately pass into the hands of the former. Its value, like that of every other commodity, is already fixed before it goes into circulation, since a definite quantity of social labor has been spent upon it, but its use-value consists in the subsequent exercise of its force. The alienation of labor power and its actual appropriation by the buyer, its employment as a use-value are separated by an interval of time." (p.193)

The students should be well aware of the quintessential importance of the use-value of labor power since only its utilization can answer the problem posed by Marx as to how money begets more money. The sum of values in circulation cannot be augmented by any change in their distribution, and

yet we know that Mr. Moneybags must out of money make more money before he can become a full-fledged capitalist. How does he do it?

The only distinction between the various commodities exchanged resided in their use-value. Evidently, the use-value of one out of this multitude of commodities is the source of wealth. Which? How can the capitalist get away with it? There is no law to compel one to use the commodity one bought in full view of all men. The food you buy in the market you consume at home. The use-value of labor-power, too, is consumed not in the market, but there where it can first be put to use—in the factory in this case. Hence, before we can force the secret of profit-making we must leave the market, which Marx calls "the noisy sphere of exchange."

No cheating, however, has occurred. Like every other commodity, the value of the commodity, labor power, is determined by the socially-necessary labor time required to produce that commodity. In this case it is the means of subsistence, shelter and clothing needed to make the laborer fit to work and to reproduce his kind. The use-value, on the other hand, belongs to him who paid for the commodity at value:

"The consumption of labor power is completed, as in the case of every other commodity, outside the limits of the market or of the sphere of circulation. Accompanied by Mr. Moneybags and by the possessor of labor power, we therefore take leave for a time of this noisy sphere, where everything takes place on the surface and in view of all men, and follow them both into the hidden abode of production, on whose threshold there stares us in the face 'No admittance except on business.' Here we shall see not only how capital produces, but how capital is produced. We shall at last force the secret of profit making." (p.195)

"On leaving this sphere of simple circulation or exchange of commodities.....we think we can perceive a change in the physiognomy of our dramatis personae. He, who before was the money owner, now strides, in front as capitalist; the possessor of labor-power follows as his labourer. The one with an air of importance, smirking, intent on business; the other, timid and holding back, like one who is bringing his own hide to market and has nothing to expect but—a hiding." (p.196)

- - -

Before the teacher concludes Part II, he should be sure to call the attention of the class to the structure of this part, which is divided into three chapters, the first (Chapter IV) states the thesis: "The General Formula for Capital". The second (Chapter V) depicts the antithesis: "Contradictions in the General Formula of Capital". The third (Chapter VI) deals with the open conflict between Mr. Moneybags and the laborer, and is entitled "The Buying and Selling of Labor Power". Instead of a "synthesis", there is, in capitalist society, the ever active class struggle.

QUESTIONS

1. What is the general formula for capital?
2. Is the production of use-values the real aim of the capitalist? What is?
3. What is meant by the following statement: "Value is here the active factor."?
4. Why did Marx entitle Chapter V "Contradictions in the General Formula of Capital"?
5. Disprove the statement that "Commerce adds value to products".
6. Can the sum of values in circulation be augmented by a change in their distribution?
7. What is wrong with the statement, "Commodities are sold above cost."
8. What is the peculiar nature of the commodity, labor power? What are the conditions for the existence of this commodity?
9. In what sense is the laborer free? (Cross references to page under discussion (186) are to be found on pp. 330, 588, 591-2, 639-40, and 795.)
10. There were commodities and money in periods prior to capitalism. Why weren't commodities and money capital then?
11. Labor power is bought on the market; where is it consumed?
12. How is the value of labor power determined?

SECTION III

THE ESSENCE OF CAPITALISM

A: The Capitalist Labor Process

Lecture 5

Part III, Chapters 7-9

In the "Labour process and the process of producing surplus value," Marx deals with the labor process in general, or the production of use values, and the capitalist labor process, or the production of values and hence of surplus value. Here again, then, and in a much more profound sense because we are now concerned not merely with the appearance but with the essence, Marx brings us back to the two-fold character of labor this time as exemplified in the two-fold character of the labor process, in general, and the capitalist labor process in particular:

"The labour process turned into the process by which the capitalist consumes labour power exhibits two characteristic phenomena. First, the laborer works under the control of the capitalist to whom his labour belongs...Secondly, the product is the property of the capitalist and not that of the laborer, its immediate producer...The labour process is a process between things that the capitalist has purchased, things that have become his property." (p.206) Note that in the labor process not only the means of production but labor power are the property of the capitalist.

Just as previously Marx laid stress on the fact that value was the "active factor" so now he re-emphasizes that "Value is independent of the particular use-value by which it is borne, but it must be embodied in a use-value of some kind." (p.209)

We now learn why Mr. Moneybags bought labor power. "What really influenced him was the specific use-value which this commodity possesses of being a source not only of value, but of more value than it has itself." (p.216) This is what transforms money into capital:

"This metamorphosis, this conversion of money into capital takes place both within the sphere of circulation and also outside it; within the circulation, because conditioned by the purchase of the labour-power in the market; outside the circulation, because what is done within it is only a stepping stone to the production of surplus value, a process which is entirely confined to the sphere of production." (p. 217)

The antagonistic movement between use-value and value arises from the antagonism between useful labor and abstract labor. The labor of the spinner that Marx uses as an example is a specific kind of labor which the laborer employs to affect an alteration in the material worked upon. The tailor out of cloth made

a dress. In the case of abstract labor, on the other hand, labor regardless of its specificity is under the direction of the capitalist and hence interested only in values. Thus, the socially-necessary labor time becomes the all-dominant element. It serves, however, to highlight the fact that only living labor creates value, and the laborer does that in each instant and not merely in "the last hour." (p.218)

Moreover, the raw material too "serves now merely as an absorbent of a definite quantity of labour." ("Definite quantities of product, these quantities being determined by experience, now represent nothing but definite quantities of labour, definite masses of crystallized labour time." (p. 211)

Let us get clear in our minds how capital is created "By turning his money into commodities that serve as the material elements of a new product, and as factors in the labour process, by incorporating living labour with their dead substance, the capitalist at the same time converts value, i.e., past materialised and dead labour into capital, into value big with value, a live monster that is fruitful and multiplies." (p. 217) This is not a mere rhetoric phrase. Its significance is rooted deep in value production.

Constant and Variable Capital

To fully understand this "live monster that is fruitful and multiplies," we must understand the role that constant capital and variable capital play. First, as to the meaning of the terms and their functions:

"The means of production on the one hand, labour power on the other, are merely the different modes of existence which the value of the original capital assumed when from being money it was transformed into the various factors of the labor process...The same elements of capital which, from the point of view of the labour process, present themselves respectively as the objective and subjective factors, as means of production and labour power, present themselves from the point of view of the process of creating surplus value, as constant and variable capital." (p. 232-3)

To explain the all-pervading force in capitalist production, the self-expansion of value, Marx abstracts c (constant capital) and then shows that the newly-added value is both v (value) and s (surplus value). That is to say, the living laborer has created both his own subsistence and the surplus.

Constant capital is so called because it - means of production, raw and auxiliary material and the instruments of labor - undergoes no change in its magnitude in the process of production. It is reproduced in the newly-produced commodity, but it can never cede more value than it itself has.

Variable capital is so called because it - the money spent for labor power - does undergo a change in magnitude in the process of production, the living laborer having been made to

work beyond the time necessary to reproduce himself. Thus the dress manufactured not only includes in it the cotton and wear and tear of machinery - components of value of another process of production - but the new labor of the worker, which means the value of his labor power plus a surplus. The worker by making a dress transferred the value of the machinery and cotton to the dress, at the same time adding new labor to it. This new labor includes the equivalent of his own subsistence and a surplus. Each commodity is composed of three elements: (1) constant capital, (2) variable capital and (3) surplus value.

So insistent is Marx in emphasizing that the new value includes both variable and surplus, so careful is he in emphasizing the self-expansion of value that he cites an example (p. 236) where constant capital is equal to zero, although, in reality, that would not be capitalism at all. (Parenthetically, it might be stated that the question of "new value" enters in the historic debate with Lasalle, and the student should here consult Critique of the Gotha Programme.)

In considering the rate of surplus value Marx warns us that "the rate of profit is no mystery, so soon as we know the laws of surplus value. If we reverse the process, we cannot comprehend either the one or the other." (p. 239 Footnote) The rate of surplus value is "an exact expression for the degree of exploitation." (p.241)

"It is every bit as important," he continues, "for a correct understanding of surplus value, to conceive it as a mere congelation of surplus labour-time, as nothing but materialised surplus labour, as it is for a proper comprehension of value, to conceive it as a mere congelation of so many hours of labour, as nothing but materialised labour." (p. 241)

The section entitled "The Representation of the Components of the Value of the Product by Corresponding Proportional Parts of the Product Itself" should be studied very painstakingly. It is not wrong to divide any product, say twenty dresses, into various groups of say, five, five and ten dresses (or to divide them into the time it took to produce them) which represent the produce "equal in value" to the constant capital, variable capital and surplus value. This can be done for the purpose of simplification. But in reality, each dress contains c, v and s; otherwise such a division either of the commodity or the time it took to produce it, says Marx "can also be accompanied by very barbarian notions, more especially in the heads of those who are as much interested, practically, in the process of making value beget value, as they are in misunderstanding that process theoretically." (p. 247-8) Witness Senior's concept of the "last hour" (the 11th) in which supposedly all surplus value is produced. Therefore, any shortening of the working day which would eliminate the 11th hour, says he, would rob the capitalist of all profit.

Questions

1. What are the two characteristic phenomena by which the general labor process is turned into a process where the capitalist consumes labor power?
2. How are value and use-value inter-related? How antagonistic?
3. What does the expression, "different modes of existence of value signify? Define constant capital, variable capital.
4. What is the specific use-value of labor power?
5. What distinguishes the process of creating surplus value from the labor process in general?
6. Draw the distinction between necessary labor and necessary labor time.
7. What is the rate of surplus value? In what degree, if any, does this differ from the degree of exploitation?
8. What is the distinction between various economic forms of society? How is the extraction of surplus value different under capitalism than under feudalism? Is surplus labor characteristic only of capitalist society? Is surplus value?
9. What is wrong with the sentence: "The whole net profit is derived from the last hour"? Does the worker produce surplus value only in the last hour? Which hour? Every instant?
10. How is the thirst for surplus labor in capitalist society distinguished from other class societies?
11. Tell the value and the danger in representing the components of the value of a product by the corresponding proportional parts of the product itself?
12. What does Marx mean when he says that such a representation can be accompanied "by very barbarian notions"?

(Note to teacher: Some of these questions anticipate the following lecture; hence, if there are any difficulties in getting the answers, delay asking the questions until after Lecture 6.)

Lecture 6

Part III, Chapters 10 and 11

The Working Day

"...so long, as the determination of value by working time is itself left 'undetermined', as it is by Ricardo," Marx wrote Engels, "it does not make people shaky. But as soon as it is brought into exact connection with the working day and its variations, a very unpleasant new light dawns upon them." (Marx-Engels Correspondence, pp.231-2)

The "people" referred to are bourgeois professors, and the "unpleasant new light that dawns upon them" comes from the fact that the relationship of surplus value to exploitation can no longer be kept a secret since one is the exact expression for the degree of exploitation.

The very lengthy section on "The Working Day" will now prove his thesis historically. Here we see what is the real meaning of the expression, "self-expansion of value", for the voice of the laborer, "stifled in the storm and stress of the process of production, rises" to tell the capitalist: "That which on your side appears a spontaneous expansion of capital is on mine extra expenditure of labour-power." (258)

"Capital has not invented surplus labour," Marx writes. "Wherever a part of society possesses a monopoly of the means of production, the labourer, free or not free, must add to the working time necessary for his own maintenance an extra working time in order to produce the means of subsistence for the owners of the means of production, whether this proprietorbe the...Etruscan theocrat, civis Romanus, Norman baron, American slave owner,Wallachian Boyard modern landlord or capitalist." (pp.259-60)

Then Marx proceeds to determine precisely what is the specific nature of capitalism, as distinguished from all other forms of society: "It is, however, clear that in any given economic formation of society, where not the exchange-value but the use-value of the product predominates, surplus-labour will be limited by a given set of wants which may be greater or less, and that here no boundless thirst for surplus labour arises from the nature of the production itself." (p.260)

This "boundless thirst for surplus labour" expresses itself in the attempt, first, to extend the working day. The surplus value produced through the extension of the working day is called absolute surplus value: "The creation of a normal working day is therefore, the product of a protracted civil war, more or less dissembled, between the capitalist class and the working class." (p.337) It is here that Marx links the battle for a normal working day to the battle

against outright slavery: "In the United States of North America, every independent movement of the workers was paralysed so long as slavery disfigured a part of the Republic. Labour cannot emancipate itself in the white skin when in the black it is branded." (p.329)

In these seventy-five pages devoted to the working day, Marx not only shows how inter-related are theory and history, but since onereflects the other, his abstract theory of value has a most concrete policy flowing from it. This he counterposes to the empty chatter of the bourgeois theorists: "In place of the pompous catalogue of the 'inalienable rights of man' comes the modest Magna Charta of a legally limited working day, which shall make clear 'when the time which the worker sells is ended, and when his own begins.'" (p.330)

The Labor Process

Having established the relationship between the struggle for the normal working day and the theory of value, Marx now gives us the law governing the rate and mass of surplus value. Study carefully the formula on page 332 in order clearly to understand how the "Diminution of the variable capital may therefore be compensated by a proportionate rise in the degree of explcitation of labour power, or the decrease in the number of laborers employed by a proportionate extension of the working day." (p. 333)

The extent of exploitation can best be grasped through a comprehension of the capitalist labor process. In the labor process in general, Marx tells us, the laborer uses the means of production in order to fashion an article of utility. In the labor process of capital it is not the worker who uses the means of production but the means of production the worker. The labor process has become a mere means for the creation of values. However, even as living labor can function only according to its specific skill, so accumulated labor can realize itself as value big with value by means of its inherent use-value. That is to say, just as yarn cannot become cotton, wood a chair, steel a tractor without uniting with living labor, and just as dead labor can preserve itself and become a greater value only by absorbing living labor, so accumulated labor can function only according to its use-value. That is what the "live monster that is fruitful and multiplies" does. The use-value of constant capital is the manner of its absorption of living labor as "the ferment necessary to their own life process" (p. 339)

Thus, "The means of production are at once changed into means of absorption of the labour of others. It is now no longer the labourer that employs the means of production, but the means of production that employ the labourer. Instead of being consumed by him as material elements of his productive activity, they consume him as the ferment necessary to their own life-process, and the life process of capital consists only in its movement as value constantly expanding, constantly multiplying itself." (p. 339)

That, of course, does not change the fact that living labor is the only source of value, from which Marx deduces the law that "the greater the variable capital, the greater would be the mass of the value produced and of the surplus value." (p. 334)

Marx tells us that "This law clearly contradicts all experience based on appearance. Everyone knows that a cotton spinner, who, reckoning the percentage of the whole of his applied capital, employs much constant and little variable capital, does not, on account of this, pocket less profit or surplus value than a baker, who relatively sets in motion much variable and little constant capital. For the solution of this apparent contradiction, many intermediate terms are as yet wanted..." (p. 335)

Classical political economy could not formulate this law although it held "instinctively to it, because it is a necessary consequence of the general law of value. It tries to rescue the law from collision with the contradictory phenomena by a violent abstraction." (p. 335)

Marx continues: "It will be seen later how the school of Ricardo came to grief over this stumbling block." The "later" referred to is not the chapter following. It appears first in his Theories of Surplus Value. No doubt we cannot fully understand how classical political economy tried to "rescue the law from collision with the contradictory phenomena by a violent abstraction" until we have covered the whole of CAPITAL, but still it will help us some to understand it further now, and hence the passage referred to by Marx from Theories of Surplus Value: (p. 184, Russian Edition)

"...he [Ricardo] has in mind only the quantitative determination of exchange value, that is, that it is equal to a definite quantity of labour time; but he forgets the qualitative determination, that individual labour must by means of its alienation be presented in the form of abstract universal social labour."

Hence the capitalist labor process is a process of alienation which, precisely through the incessantly changing quantitative determination of exchange value - that is the socially-necessary labor time incorporated in a commodity - reduces the qualitative differences (that is, the various concrete, specific kinds of labor, such as mining or tailoring) to nothing but a mass of abstract labor.

Thus without understanding the dual character of labor it is impossible to understand the contradictions of capitalist production and hence Marx's insistence that the analysis of the dual character of labor was pivotal to an understanding of political economy.

Hence, also, his insistence on a full comprehension of the inherent laws of capitalist production even in such seemingly individualist actions as that undertaken by capitalists

in free competition are not due to "will" but to the inherent laws of capitalist production: "Free competition brings out the inherent laws of capitalist production in the shape of external coercive laws having power over every individual capitalist." (p. 297)

Questions

1. How is a normal working day determined? What relation has that to the class struggle?

2. If capitalism has not invented surplus labor, what distinguishes surplus labor under capitalism from that under other societies? How did the Boyard express this thirst for surplus labor?

3. What is the relationship of the Magna Charta to the theory of value? What, then, is the theory of value to the struggle between the capitalist and the laborer?

4. How was the independent movement of labor for the eight hour day hampered in the United States by the existence of slavery?

5. Write out the formula for the mass of surplus value.

6. Why did classical economy hold instinctively to the law of surplus value, although it had formulated no such law?

7. What does the following statement mean: "Free competition bring out the inherent laws of capitalist production in the shape of external coercive laws having power over every individual capitalist."
Compare your answer with the one you would get from the cross references on pp.347 and 649.

Lecture 7

Part IV, Chapters 12-14

Relative Surplus Value

"The Production of Absolute Surplus Value" dealt with the prolongation of the working day. "The Production of Relative Surplus Value" describes the extraction of surplus value within the same working day. In the first case, capital subordinates labor "on the basis of the technical conditions in which it historically finds itself." (p. 339) In the second case, it revolutionizes these technical conditions. Marx will analyze this fully in the last chapter of Part IV, where he will consider "Machinery and Modern Industry".

In approaching "The Concept of Relative Surplus Value", we should keep firmly in mind the fact that "The essential difference between the various economic forms of society, between, for instance, a society based on slave labor, and one based on wage labor, lies only in the mode in which this surplus-labor is in each case extracted from the actual producer, the laborer." (p.241)

And it is precisely the manner of extraction of this surplus labor which is so characteristically capitalistic that Marx describes in the labor process. Thus we see that the "live monster that is fruitful and multiplies" does so by virtue of the special capitalistic manner in which various kinds of concrete labor (mining, tailoring, etc.)are reduced to one mass of abstract labor. It is the way in which constant capital, or accumulated labor, dominates over variable capital, or living labor.

It is of crucial importance to understand clearly that the socially necessary labor time is the solvent which reduces the aggregatesof concrete labor into the general mass of abstract labor. Since there is no such thing as an abstract laborer, the manner in which the capitalist performs his mission of getting abstract labor is the key factor to his amassing surplus value. He utilizes one of the factors of production, accumulated or dead labor, against the other factor, living labor. Only in capitalist society does accumulated labor dominate living labor.

Laws and their Manifestations

How does the fall of the value of commodities because of an increase in the productivity of labor, affect the value of labor-power itself? Marx answers: "In order to effect a fall in the value of labour-power, the increase in the productiveness of labour must seize upon those branches of industry whose products determine the value of labour-power, and consequently either belong to the class of customary means of subsistence or are capable of supplying the place of those means." (p.346)

It is at this point that it is most tempting to move to the field of competition, and ask how that would effect the value of labor power. But Marx warns us that "The general and necessary tendencies of capital must be distinguished from their form of manifestations." (p.347) Precisely because it is easy to move away from the abstract to the concrete, that Marx is most insistent on remaining within the inner abode of production:

"It is not our intention to consider, here, the way in which the laws, immanent in capitalist production, manifest themselves in the movements of individual masses of capital, where they assert themselves as coercive laws of competition, and are brought home to the mind and consciousness of the individual capitalist as the directing motives of his operations. But this much is clear; a scientific analysis of competition is not possible, before we have a conception of the inner nature of capital." (p.347)

And again: "The law of the determination of value by labor-time, a law which brings under its sway the individual capitalist who applies the new method of production, by compelling him to sell his goods under the social value, this same law, acting as a coercive law of competition, forces his competitors to adopt the new method." (p.350) "Hence," concludes Marx, "there is immanent in capital an inclination of and constant tendency to heighten the productiveness of labour, in order to cheapen commodities, and by such cheapening to cheapen the labourer himself." (p.351)

Cooperation and Manufacture

Marx divided into three parts the particular modes of producing relative surplus value, the object of which under capitalism is "to shorten that part of the working day, during which the workman must labour for his own benefit, and by that very shortening, to lengthen the other part of the day, during which he is at liberty to work gratis for the capitalist." (p.352) These were: (1) cooperation, which is "both historically and logically the starting point of capitalist production" (p.353); (2) division of labor in manufacture; and (3) machinery and modern industry. The last of these divisions we will deal with in the next lecture.

Cooperation is the form of producing a single commodity by a number of laborers working together under the mastership of one capitalist. At first, then, "the subjection of labour to capital was only a formal result of the fact that the labourer, instead of working for himself, works for and consequently under a capitalist." (p. 362) But once cooperation becomes a function of capital, it acquires distinctive characteristics: "The directing motive, the end and aim of capitalist production is to extract the greatest possible amount of surplus value, and consequently to exploit labour power to the greatest possible extent...The control exercised by the capitalist is not only a special function, due to the nature of

the social labour-process, and peculiar to that process, but it is, at the same time, a function of the exploitation of a social labour-process, and is consequently rooted in the unavoidable antagonism between the exploiter and the living and labouring raw material he exploits." (p.363) And further: "As cooperators, as members of a working organism, they [the laborers] are but special modes of existence of capital." (p.365)

Marx next considers the two-fold origin of manufacture: (1)"...assemblage, in one workshop under the control of a single capitalist, of labourers belonging to various independent handicrafts but through whose hands a given article must pass on its way to completion"; and (2) "...one capitalist employing simultaneously in one workshop, a number of artificers, who all do the same, or the same kind of work..." (p.370) "But," concludes Marx, "whatever may have been its particular starting point, its final form is invariably the same--a productive mechanism whose parts are human beings." (p.371)

The description of the detail laborer and his implements, the heterogeneous and serial forms of manufacture, all lead up to the division of labor in manufacture being compared with the division of labor in society: "The foundation of every division of labour that is well developed, and brought about by the exchange of commodities, is the separation between town and country. It may be said, that the whole economical history of society is summed up in the movement of this antithesis."(387)

Marx's theory of value is derived from the historical development of labor. "If at first," says Marx, "the workman sells his labour-power to capital, because the material means of producing a commodity fail him, now his very labour-power refuses its services unless it has been sold to capital. Its functions can be exercised only in an environment that exists in the workshop of the capitalist after the sale. By nature unfitted to make anything independently, the manufacturing labourer develops productive activity as a mere appendage of the capitalist's workshop. As the chosen people bore in their feature the sign manual of Jehovah, so division of labour brands the manufacturing workman as the property of capital."

Questions

1. Define the distinction between absolute and relative surplus value.
2. What is the relationship between socially-necessary labor time and the necessity to extract as much surplus value as possible within the same working day?
3. Does the fall in the value of any commodity effect the value of labor power? Would a fall in the value of steel?
4. Does competition decide the law of value?
5. Draw a parallel between the division of labor in society and that in manufacture.
6. Define the differences between cooperation and manufacture.
7. In what respect is the manufacturing workman "the property of capital"?

Lecture 8

Part IV Chapter 15

Technology and Value

First, we must see how the capitalist character of manufacture paved the way both for machinofacture and for the abolition of the dominion of capital. "This workshop, the product of the division of labor in manufacture, produced in its turn--machines. It is they that sweep away the handicraftsman's work as the regulating principle of social production. Thus, on the one hand, the technical reason for the life-long annexation of the workman to a detail function is removed. On the other hand, the fetters that this same principle laid on the dominion of capital, fall away." (p.404)

Next, Marx shows how basic is the state of technology to the whole mode of production and to the production relations: "Technology discloses man's mode of dealing with Nature, the process of production by which he sustains his life and thereby also lays bare the mode of formation of his social relations." (p.406, ftn.)

Technological revolutions, then, by "deciding" the mode of production, decide the law of value by making the socially-necessary labor time required for the production of any commodity, a constantly changing quantity. It is this which keeps capitalist production in constant turmoil. Before machinofacture becomes a <u>system</u> of production, the production of machines must have become general since any one invention, sporadically discovered, would have been insufficient to transform manufacture into machinofacture. "In Manufacture the organisation of the social labour-process is purely subjective; it is a combination of detail labourers; in its machinery system, Modern Industry has a productive organism that is purely objective in which the labourer becomes a mere appendage to an already existing material condition of production." (p.421)

Previously Marx had demonstrated that in the division of labor even in manufacture "the labourer is brought face to face with the intellectual potencies of the material process of production as the property of another, and as a ruling power." But it is only in modern industry that science in fact becomes "a productive force distinct from labour."(397)

Marx next considers the relationship of value to the machine: "Machinery, like every other component of constant capital, creates no new value, but yields up its own value to the product that it serves to beget. In so far as the machine has value, and, in consequence, parts with value to the product, it forms an element in the value of the product. Instead of being cheapened, the product is made dearer in proportion to the value of the machine. And it is clear as noon-day that machines and systems of machinery, are incom-

parably more loaded with value than the implements used in handicrafts and manufacture." (p.423)

Technology and the Workman

Value production is in no way separated, of course, from the greatest productive force, the laborer himself. Marx therefore considers painstakingly the effects of machinery on the workman. It is of utmost importance that the teacher stress the indissoluble connection between the value theory and the conditions of the workers. This historical section on the effects of machinery on the employment of women and children, on the prolongation of the working day and intensification of labor, leading up to the factory system is indeed the very heart of the conclusion that "In the handicrafts and manufacture the workman makes use of a tool, in the factory the machine makes use of him." (p.461)

Under capitalist domination modern technology has converted the workman into a mere automaton: "Every kind of capitalist production in so far as it is not only a labor-process, but also a process of creating surplus value, has this in common, that it is not the workman that employs the instruments of labor, but the instruments of labor that employ the workman. But it is only in the factory system that this inversion acquires technical and palpable reality. By means of its conversion into an automaton, the instruments of labor confront the laborer, during the labor process, in the shape of capital, of dead labor that dominates, and pumps dry, living labour power. The separation of the intellectual powers of production from the manual labor, and the conversion of these powers into the might of capital over labor is, as we have already shown, finally completed by modern industry erected on the foundation of machinery. The special skill of each individual insignificant factory operative vanishes as an infinitesimal quantity before the science, the gigantic physical forces, and the mass of labor that are embodied in the factory mechanism, and together with that mechanism, constitute the power of the 'master'." (p.462) Marx concludes this section by showing the effects of modern industry upon agriculture.: "Capitalist production, therefore, develops technology, and the combining together of various processes into a social whole, only by sapping the original sources of all wealth--the soil and the labourer." (p.556)

Questions

1. When capital first subordinates labor, does it immediately change the mode of production?
2. What is the relationship between technology and production relations?
3. How does machinery transfer its value to the product?
4. What determines the value of the machine, the process from which it issued, or the process in which it is used?
5. Explain: "It is now no longer the laborer that employs the means of production, but the means of production the laborer." How does this complete inversion of dead to living labor come about? What constitutes "the power of the 'master'" in a capitalist society.
6. How does modern industry affect agriculture?

Lecture 9

Part V

It is important to note that this Part, entitled "The Production of Absolute and of Relative Surplus Value", is not a mere summation of "The Production of Absolute Surplus Value" and "The Production of Relative Surplus Value", but is a further determination of the predominant factor of these two modes of extracting surplus value. That is, on the combined basis of the production of absolute and of relative surplus value, it is first possible fully to grasp what the self-expansion of capital means. Here too we are able further to delineate the difference between what Marx calls the formal and the real subjection of labor to capital:

"The production of absolute surplus value turns exclusively upon the length of the working day; the production of relative surplus value, revolutionises out and out the technical processes of labor and the composition of society. It therefore presupposes a specific mode, the capitalist mode of production, a mode which along with its methods, means, and conditions, arises and develops itself spontaneously on the foundation afforded by the formal subjection of labour to capital. In the course of this development, the formal subjection is replaced by the real subjection of labour to capital." (p.559)

After considering the changes in magnitude in the price of labor-power and in surplus value, depending upon (1) the length of the working day, (2) normal intensity of labor, and (3) the productiveness of labor, Marx writes of the "Various Formulae for the Rate of Surplus Value" These formulae, which appear on pages 582-584 should be gone over carefully, for it is only then that we can understand Marx's conclusion: "Capital, therefore, is not only, as Adam Smith says, the command over labour. It is essentially the command over unpaid labour. All surplus value, whatever particular form (profit, interest or rent), it may subsequently crystalise into, is in substance the materialisation of unpaid labour. The secret of the self-expansion of of capital resolves itself into having the disposal of a definite quantity of other people's unpaid labour." (p.585)

Questions

1. Now that you have covered the analysis of the entire process of production, what, in your opinion, is the central thesis of Marx's analysis of the capitalist labor process? Check this against a review of Parts III, IV and V.
2. What is the relationship between the laws of production and the historical sections on (a) the working day, (b) the factory acts, and (c) the development of capitalism from its cooperative to its machinofacture stages?
3. How does the length of the working day influence the rate of surplus value? How does the intensity of labor influence it? State the different formulae for the rate of surplus value.
4. Write out a series of questions, covering all three parts on the production of surplus value, that you would have asked if you were teacher.

SECTION III

B - Result of the Labor Process

Lecture 10 - Part VI

Wages

Marx considered his analysis of wages to be one of three fundamentally new elements he introduced into political economy. (See Marx-Engels Correspondence, p.232.) A valuable lesson can be gotten from contrasting the manner in which he deals with this phenomenal form of the value of labor power in Part VI, that is, after we have analysed the process of production, and his treatment of the same subject in Part II, that is, before we entered the inner abode of production.

In Part II, in the chapter on the "Contradiction in the General Formula for Capital", he merely poses the conditions which enable the capitalist to withdraw more money from circulation than he threw into it. We know, vaguely, that it is the specific use-value of labor-power, but we do not know exactly how that is accomplished. We cannot know that since we are then in the market where equality reigns. The worker was not "cheated"; his labor power was paid for at value.

We then follow the worker into the factory and see that he works more hours than is necessary to reproduce his commodity, labor power. Why does he do that? Why doesn't he assert his rights as the equal with the other seller of the commodity, money, or wages? In Part VI Marx tells us why: "That which comes face to face with the possessor of money on the market is in fact not labor, but the labourer. What the latter sells is his labour-power. As soon as his labour actually begins, it has already ceased to belong to him; it can therefore no longer be sold by him. Labour is the substance and the immanent measure of value, but has itself no value." (p.588)

Since labor power in action is labor itself, but since it becomes labor only in the factory where it no longer belongs to the laborer, Marx concludes that the appearance of the value of labor power (wages) in actuality "makes the actual relation invisible and indeed shows the direct opposite of the relation and forms the basis of all juridical notions of both labourer and capitalist, of all the mystifications of the capitalist mode of production, of all its illusions as to liberty, of all the apologetic shift of the vulgar economists." (pp.591-2

In fact, continues Marx, the result of the labor process--the that it reproduces the wage laborer and sends him again to market to find a buyer--befuddles the basic class relationship: "The wage-form thus extinguishes every trace of the division of the working day into necessary labour and surplus labour. All labour appears as paid labour...All the slave's labour appears as unpaid labour. In wage-labour, on the con-

trary, even surplus labour, or unpaid labour, appears as paid. There the property relation conceals the labour of the slave for himself; here the money-relation conceals the unrequited labour of the wage-labourer." (p.591)

It is only after he has made this distinction clear that Marx goes into a description of time wages, piece wages, and national differences in wages. It is at this point, too, that we see that the law of value is a law of the world market: "But the law of value in its international application is yet more modified by this, that on the world market, the more productive national labour reckons also as the more intense, so long as the more productive nation is not compelled by competition to lower the selling price of its commodities to the level of their value." (p.612) The full relationship of value to price, in all its phenomenal complexities, will not, however, be analyzed by Marx until Volume III.

Immediately after the questions to this lesson, the students should review Parts I and II.

Questions

1. Does labor possess value or is it only a source of value?
2. How is the commodity, labor power, distinguished from all other commodities? Compare the treatment of buying and selling of labor power in Part II, with that in Part VI.
3. How does the money relation hide the unpaid labor of the laborer?
4. What do wages represent?
5. How does the money relation affect the juridical notion of the laborer? of the capitalist? on the question of freedom and equality?
6. What is more specific to capitalism, time or piece wages? Why?
7. What is the relation of the value of labor power to its price? How does competition on the world market influence the price of commodities?
8. What determines the national differences in wages? How does labor productivity influence the price of labor power?
9. What relationship has the standard of living, the strength of trade union organization, on the value of labor power?

SECTION IV

THE LAW OF MOTION OF CAPITALIST SOCIETY

Lecture 11

Part VII, Chapters 23-24

Part VII is the climax to Volume I. In the Fourth German Edition of CAPITAL, which Engels published in 1890 from the last notes made by Marx to the French Edition, Part VIII "The So-Called Primitive Accumulation of Capital," appears only in the form of additional chapters to Part VII, "The Accumulation of Capital."

In approaching this part we should bear in mind the changes Marx introduced into the French Edition, which, he wrote, "possesses a scientific value independent of the original and should be consulted even by readers of the German." (Dona Torr Edition, p.842) The two most important of these changes, since incorporated in all editions, including the American, are to be found on (1) pp.640-4 where Marx expands the thesis of the transformation of the laws of property into the laws of capitalist appropriation; and (2) pp.687-8 which explain how the law of centralization of capital develops until it reaches its extreme by being united "in the hands of one single capitalist, or in those of one single corporation." We will discuss the first addition in the course of this lecture and the second in the following lecture.

The Sine Qua Non of Capitalist Production

Before analyzing simple reporduction, Marx explains why he proceeds from production to reproduction, without stopping to consider the act of selling the commodities produced. He merely assumes that the capitalist has sold what he produced. "So far as accumulation takes place," writes Marx, "the capitalist must have succeeded in selling his commodities, and in reconverting the sale-money into capital. Moreover, the breaking up of surplus value into fragments neither alters its nature nor the conditions under which it becomes an element of accumulation...We therefore assume no more than what actually takes place. On the other hand, the simple fundamental form of the process of accumulation is obscured by the incident of the circulation which brings it about, and by the splitting up of surplus value. An exact analysis of the process, therefore, demands that we should, for a time, disregard all phenomena that hide the play of its inner mechanism." (p.619)

The conditions of production are the conditions of reproduction. The mere continuity of the process of production, even apart from accumulation, sooner or later "converts every capital into accumulated capital, or capitalised surplus value," (p.624) since, no matter with what capital the capitalist started that amount would soon have been consumed by him, if it

were not that capital had begotten a surplus value. That surplus it got from variable capital. "Even if the capital was originally acquired by the personal labour of its employer, it sooner or later becomes value appropriated without an equivalent, the unpaid labour of others materialised either in money or in some other object...The separation of labour from its product, of subjective labour-power from the objective conditions of labour was therefore the real foundation in fact, and the starting point of capitalist production." (p.624)

"...Since the process of production is also the process by which the capitalist consumes labour-power, the product of the labourer is incessantly converted not only into commodities but into capital, into value that sucks up the value-creating power, into means of subsistence that buy the person of the labourer, into means of production that command the producers. The labourer therefore constantly produces material, objective wealth, but in the form of capital, of an alien power that dominates and exploits him; and the capitalist as constantly produces labour-power, but in the form of a subjective source of wealth, separated from the objects in and by which it can alone be realised; in short, he produces the labourer but as a wage-labourer. This incessant reproduction, this perpetuation of the labourer is the sine qua non of capitalist production." (p.625)

Marx proceeds to make the distinction between productive consumption and individual consumption. The latter he shows to be under capitalism, "a mere incident of production." (p.626) So emphatic is Marx on this point that the wage laborer is a factor of production that he says it is not the laborer that buys the means of consumption, but the means of consumption the laborer. "The fact," he concludes, "that the labourer consumes his means of subsistence for his own purposes, and not to please the capitalist, has no bearing on the matter, The consumption of food by a beast of burden is none the less a necessary factor in the process of production, because the beast enjoys what it eats. The maintenance and reproduction of the working-class is, and must ever be, a necessary condition to the reproduction of capital." (p.627)

The Capitalist Relationship

Capitalist production produces not merely capital but it produces and reproduces the capitalist relationship: "Capitalist production, therefore, of itself reproduces the separation between labour-power and the means of labour. It thereby reproduces and perpetuates the condition for exploiting the labourer. It incessantly forces him to sell his labour-power in order to live, and enables the capitalist to purchase labour-power in order that he may enrich himself." (p. 632-3)

The crucial point here is that the existence of the wage-laboring class is now not merely the historic beginning of capitalist production, but is the result of that production. If it is asked, but isn't the worker free, the answer is that in

fact "the labourer belongs to capital before he has sold himself to capital. His economical bondage is both brought about and concealed by the periodic sale of himself, by his change of masters, and by the oscillations in the market-price of labour-power." (p.633)

The sine qua non of capitalist production, the continual reproduction of the labourer, likewise gives the lie to the apparent equality of exchange in the capitalist market where capitalist and laborer exchange commodities:

"The exchange of equivalents, the original operation with which we started, has now become turned round in such a way that there is only an apparent exchange. This is owing to the fact, first, that the capital which is exchanged for labour-power is itself but a portion of the product of others' labour appropriated without an equivalent; and, secondly, that this capital must not only be replaced by its producer, but replaced together with an added surplus. The relation of exchange subsisting between capitalist and labourer becomes a mere semblance appertaining to the process of circulation, a mere form, foreign to the real nature of the transaction, and only mystifies it. The ever-repeated purchase and sale of labour-power is now the mere form; what really takes place is this--the capitalist again and again appropriates, without equivalent, a portion of the previously materialised labor of others, and exchanges it for a greater quantity of living labor." (p.639)

In other words, the relation of capitalist to laborer is the exact opposite of what it appeared to be when we witnessed that relation in the market. This is clear enough from the above passage. Nevertheless, it is precisely here that Marx made one of his two major additions to the first published text of CAPITAL. In order to make clear beyond the shadow of a doubt, how it is that the transformation of money into capital, which proceeded with strict compliance of the economic laws of the production of commodities, should only result in inequality. Marx explains:

"(1) That the product belongs to the capitalist, not to the laborer.

"(2) That the value of this product comprises a surplus value over and above the value of the advanced capital.

"(3) That the laborer has reproduced his labour-power and can sell it once more, if he finds a buyer for it." (p.641)

The Material Form of Capital

By establishing the fact that the perpetuation of the laboring class is the indispensable condition of capitalist production, Marx demonstrated the quintessential importance of the fact that the material form of variable capital is actual living labor. For it is only living labor that produces surplus

value; the means of consumption are only the medium to reproduce the laborer. Yet, so far as the products of production are concerned, the material form of variable capital is, of course, means of consumption, just as the material form of constant capital is means of production. Marx demonstrates that "surplus value is convertible into capital solely because the surplus product whose value it is already comprises the material element of new capital." (p.636) Furthermore, Marx emphasizes:

"We here take no account of export trade, by means of which a nation can change articles of luxury either into means of production or means of subsistence, and vice versa. In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must treat the whole world as one nation, and assume that capitalist production is everywhere established..."(636,ftn.)

These two factors of production--living labor and means of production--are also the factors of reproduction. Moreover, it does not alter matters any, continues Marx, if simple reproduction is replaced by reproduction on an enlarged scale. No greater error can be committed than to think that the conditions of expanded reproduction are changed simply because "the popular mind is impressed by the sight, on the one hand, of the mass of goods that are stored up for the gradual consumption by the rich, and on the other hand, by the formation of reserve stocks." (p.645)

The Error of Political Economy

Classical political economy realized that accumulation resulted not in the expansion of consumption, but expansion of production. Nevertheless, so unaware were these economists of the role of constant capital in production that they, "by a fundamentally perverted analysis, arrived at the absurd conclusion that, even though each individual capital is divided into constant and variable, the capital of society resolves itself into only variable capital, i. e., is laid out exclusively in payment of wages." (p.647)

In the section on the Erroneous Conception of Reproduction by Political Economy on a Progressively Increasing Scale Marx expands on the above point, and anticipates the problems he will deal with in full in Volume II:

"The annual process of reproduction is easily understood so long as we keep in view merely the sum total of the year's production. But every single component of this product must be brought into the market as a commodity and there the difficulty begins. The movements of the individual capital, and of the personal revenues, cross and intermingle and are lost in the general change of places, in the circula- of the wealth of society; this dazes the sight, and propounds very complicated problems for solution. In the third part of Book II, I shall give the analysis of the real bearings of the facts." (p.647)

The Abstinence Theory

In discounting the theory that it is the abstinence on the part of the capitalist, which makes accumulation possible, Marx does not let us forget that the capitalist is only personified capital. It is not so much the "evil" of the capitalist as the contradictory nature of the capitalist mode of production which is the root evil:

"Except as personified capital, the capitalist has no historical value, and no right to that historical existence, which, to use an expression of the witty Lichnowsky, 'hasn't got no date'...But, so far as he is personified capital, it is not values in use and the enjoyment of them, but exchange value and its augmentation that spur him into action. Fanatically bent on making value expand itself, he ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society, and creates those material conditions, which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle." (pp.648-9)

Marx then relates the passion for money on the part of the miser, and on the part of the capitalist: "Only as personified capital is the capitalist respectable. As such, he shares with the miser the passion for wealth as wealth. But that which in the miser is a mere idiosyncrasy is, in the capitalist, the effect of the social mechanism, of which he is but one of the wheels. Moreover, the development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production felt by each individual capitalist as external coercive laws. It compels him to keep constantly extending his capital, in order to preserve it, but extend it he cannot, except by means of progressive accumulation." (p.649)

It is this compulsion which has given rise to the classical formula, "Accumulate, accumlate!" Because classical economy was not deceived by the spurious supposition that the capitalist's abstinence made accumulation possible, its formula correctly reflected the inherent law of capitalist production: "Accumulation for accumulation's sake, production for productions's sake: by this formula classical economy expressed the historical mission of the bourgeoisie, and did not for a single instant deceive itself over the birth-throes of wealth. But what avails lamentation in the face of historical necessity?" (p.652)

Questions

1. What is the real foundation of capitalist production? What is its sine qua non?
2. What is meant by the expression "In reality, the labourer belongs to capital before he has sold himself to capital"?

3. Do market transactions augment total annual production? Do they alter the nature of the objects produced?
4. What is significant about the material form of capital? Analyze the following: "surplus value is convertible into capital solely because the surplus-product whose value it is, already comprises the material elements of new capital."
5. How do the laws of property become transformed into laws of capitalist appropriation?
6. What is significant about the sentence, "The exchange of equivalents, the original operation with which we started has now become turned around in such a way that there is only an apparent exchange."?
7. What are the three results of capitalist production? How are these altered if simple reproduction is replaced by reproduction on an enlarged scale?
8. What is the erroneous conception of classical political economy about reproduction on an enlarged scale?
9. Does abstinence help in converting surplus value into capital?
10. What is the so-called labor fund?
11. What determines the extent of accumulation? What determines its rate?
12. Explain: "Accumulation of capital, is, therefore, increase of the proletariat."

Lecture 12

Part VII Chapter 25

The Lot of the Working Class

The concluding chapter of this part, "The General Law of Capitalist Accumulation" is by far the most basic to the theory of capitalist development. In reviewing it we must go rather slowly because in the treatment of the organic composition of capital Marx anticipates the treatment he accords it in the section on the Declining Rate of Profit in Volume III, and thus a full understanding of this chapter will help us when we get to that volume.

Of decisive significance in understanding what is the general law of accumulation is the recognition that the lot of the working class is as integral a part of this law as the organic composition of capital. This is not "mere" agitation, but can be expressed in the most precise technical terms. The organic composition of capital is the interrelationship between its value composition, or the proportion between constant and variable capital, and its technical composition, or the division between means of production and living labor power.

The way this affects the lot of the workers is as follows: "Production of surplus value is the absolute law of this mode of production. Labour-power is only saleable so far as it preserves the means of production in their capacity of capital, reproduces its own value as capital and yields in unpaid labour a source of additional capital." (p.678)

Hence a wage rise could never reach the point where it would threaten the system itself: "Either the price of labour keeps on rising because its rise does not interfere with the progress of accumulation...Or, on the other hand, accumulation slackens in consequence of the rise in the price of labour, because the stimulus of gain is blunted. The rate of accumulation lessens; but with the lessening the primary cause of that lessening vanishes, i.e., the disproportion between capital and exploitable labour-power. The mechanism of the process of capitalist production removes the very obstacles that it temporarily creates. The price of labour falls again to a level corresponding with the needs of the self-expansion of capital, whether the level be low, the same as, or above, the one which was normal before the rise of wages took place." (pp.678-9)

Marx summarizes this in the following formulation: "To put it mathematically, the rate of accumulation is independent, not the dependent variable; the rate of wages, the dependent, not the independent variable." (p.679) Or, in other words, the rise of wages therefore is confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on a progressive scale. The law of capitalist accumulation, metamorphosed by economists into a pretended law of nature, in reality merely states that the

very nature of accumulation excludes every diminution in the degree of exploitation of labour, and every rise in the price of labour, which could seriously imperil the continual reproduction on an ever enlarging scale, of the capitalistic relation. It cannot be otherwise in a mode of production in which the labourer exists to satisfy the needs of self-expansion of existing values, instead of on the contrary, material wealth existing to satisfy the needs of development on the part of the labourer. As, in religion, man is governed by the products of his own brain, so in capitalistic production he is governed by the products of his own hand." (pp.680-1)

Growth of Constant Capital At the Expense of Variable Capital

Marx now turns his attention to the conditions arising from a change in the organic composition of capital. The law governing this change is the progressive increase of constant capital in proportion to variable capital. (Labor-power or the wage-fund to buy it.)

Accumulation of capital, it is true, means expansion of production and hence the growth of the working population. However, the demand for labor comes not from total capital, but only from its variable component, which is relatively the smaller part. Moreover, the value of constant capital does not fully reflect the change in the composition of its material constituents. In order to hire more workers, not only is a greater wage fund needed but greater investment in factories, in means of production and raw materials. "Whereas formerly an increase in capital by 20 percent would have sufficed to raise the demand for labour by 20 per cent, now this latter rise requires a tripling of the original capital." (p.683)

Marx continues: "This diminution in the variable part of capital as compared with the constant, or the altered value composition of the capital, however, only shows approximately the change in the composition of its material constituents. If, e.g., the capital-value employed today in spinning is 7/8 constant and 1/8 variable, whilst at the beginning of the 18th Century it was 1/2 constant and 1/2 variable, on the other hand, the mass of raw material, instruments of labour, etc. that a certain quantity of spinning labour consumes productively today, is many hundred times greater than at the beginning of the 18th Century. The reason is simply that, with the increasing productivity of labour, not only does the mass of the means of production consumed by it increase, but their value compared to this mass diminishes. Their value therefore rises absolutely, but not in proportion to their mass."(p.683)

Centralization of Capital

Marx now proceeds to analyze the effect of the concentration and centralization of capital upon the relationship of constant to variable capital. But, first, he warns that "The laws of this centralisation of capitals or of the attraction

of capital by capital, cannot be developed here." He does not deal with this until he reaches Volume III. Here he says, "A brief hint at a few facts must suffice." (p.686) However, what Marx calls a "brief hint" propounds astounding problems for the Marxist student. Here is how he develops his brief hint: "The battle of competition is fought by cheapening of commodities. The cheapness of commodities depends, ceteris paribus, on the productiveness of labour, and this again on the scale of production. Therefore the larger capitals beat the smaller...

Competition and credit, the two most powerful levers of centralisation, develop in proportion as capitalist production and accumulation do...Centralisation may take place by a mere change in the distribution of already existing capitals, a simple change in the quantitative arrangement of the components of social capital. Capital may in that case accumulate in one hand in large masses by withdrawing it from many individual hands. Centralisation in a certain line of industry would have reached its extreme limit, if all the individual capitals invested in it would have been amalgamated into one single capital."(pp.686-8) This is trustification. This is the beginning of the second and the most important change Marx introduced into the French Edition of CAPITAL.

Moreover, Marx does not stop here since the development of the trust is only the limit of centralisation of capital in a specific line of industry. What is the limit of centralization of capital in a given country?

"This limit," Marx writes, "would not be reached in any particular society until the entire social capital would be united, either in the hands of one single capitalist, or in those of one single corporation." (p.688) We have here the prediction of state capitalism: "the entire social capital... united either in the hands of one single capitalist or in those of one single corporation."

The General Absolute Law of Capitalist Production

The results of this act, continues Marx in this crucial addition to the French Edition of CAPITAL, has the same results whether accomplished by "the violent means of annexation" or "the smoother road of forming stock companies."

The result is of a qualitative character; that is, it so revolutionises the technical composition of capital that it increases its constant at the expense of its variable constituent: "The specifically capitalist mode of production, the development of the productive power of labour corresponding to it, and the change then resulting in the organic composition of capital, do not merely keep pace with the advance of accumulation, or with the growth of social wealth. They develop to a much quicker rate...If it was originally say1:1, it now becomes successively 2:1, 3:1, 4:1, 5:1, 7:1, etc...The labouring population therefore produces, along with the accumulation

of capital produced by it, the means by which it itself is made relatively superfluous, is turned into a relative surplus population." (pp.690-2)

"The greater the social wealth, the functioning of capital, the extent and energy of its growth, and therefore also the absolute mass of the proletariat and the productiveness of labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, develop also the labour-power at its disposal...But the greater this reserve army in proportion to the active labour-army, the greater is the mass of a consolidated surplus population, ...and the greater is the official pauperism. This is the absolute general law of capitalist accumulation." (p.707)

This absolute general law dominates over production even when it has reached its ultimate development through statification. This law of capitalist accumulation means not only the polarization of wealth, the alienation of the products of labor from the laborer, but it means the alienation of his very capacity to labor. Marx's description of the capitalist labor process is that it is a process wherein "all means for the development of production transform themselves into means of domination over, and exploitation of, the producers; they mutilate the laborer into a fragment of a man, degrade him to the level of an appendage to a machine, destroy every remnant of charm in his work and turn it into a hated toil; they estrange him from the intellectual potentialities of the labour-process in the same proportion as science is incorporated in it as an independent power; they distort the conditions under which he works, subject him during the labour-process to a despotism the more hateful for its meanness; they transform his life-time into working-time, anddrag his wife and child beneath the wheels of the Juggernaut of capital. But all methods for the production of surplus value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of these methods. It follows therefore that in proportion as capital accumuated, the lot of the labourer, be his payment high or low, must grow worse. The law, finally, that always equilibrates the relative surplus-population, or industrial reserve army, to the extent and energy of accumulation, this law rivets the labourer to capital more firmly than the wedges of Vulcan did Prometheus to the rock. It establishes an accumulation of misery, corresponding with an accumulation of capital. Accumulation of wealth at one pole is, therefore, at the same time, accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital." (pp.708-9)

Questions

1. Define the value-composition, technical composition and the organic composition of capital.
2. Explain the relation between the law of capitalistic ac-

cumulation and the laborer's existence "to satisfy the needs of self-expansion of existing value."

3. What is the significance of the proportionate increase of constant to variable capital?
4. What is the law of the concentration of wealth, of its centralization? What is the limit of centralization in a single industry? What is the limit in a given society? Are these affected by the "absolute general law of capitalist production"? What is the "absolute general law"?
5. What is the relation between accumulation and the reserve army of labor? What are the different forms of the relative surplus population?
6. Is the degradation of the worker to an appendage of a machine dependent upon whether his payment is high or low?

Lecture 13

Part VIII

Historical beginnings

Marx now turns to the historic beginnings of capitalism, and shows how "The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former." (p.786) The capitalistic era dates from the 16th century. "The starting point of the development that gave rise to the wage-labourer, as well as to the capitalist, was the servitude of the labourer," Marx writes, emphasizing that "The expropriation of the agricultural producer, the peasant, from the soil, is the basis of the whole process." (p.787)

Marx then proceeds to a description of the expropriation of the agricultural population from the land, and the legislation against the expropriated: "The bourgeoisie, at its rise, wants and uses the power of the state to 'regulate' wages, i.e., to force them within the limits suitable for surplus-value making, to lengthen the working-day and to keep the labourer himself in the normal degree of dependence. This is an essential element of the so-called primitive accumulation." (p.809)

However, continues Marx, labor's subordination to capital at the beginning "was only formal, i.e., the mode of production itself had as yet no specific capitalistic character. Variable capital preponderated greatly over constant." (p.809)

Marx next traces the genesis of the capitalist farmer and the manner in which the agricultural revolution created a home market for industrial capital: "With the setting free of a part of the agricultural population, therefore, their former means of nourishment were also set free. They were now transformed into material elements of variable capital. The peasant, expropriated and cast adrift, must buy their value in the form of wages, from his new master, the industrial capitalist. That which holds good of the means of subsistence holds with the raw materials of industry dependent upon home agriculture. They were transformed into an element of constant capital." (pp.817-18)

The historic beginnings of capitalism reach their climax in the genesis of the industrial capitalist: "The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre." (p.823)

These momenta of primitive accumulation, furthermore, "all employ the power of the State, the concentrated and organised force of society, to hasten, hothouse fashion, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one. It is itself an economic power." (pp.823-4)

Marx concludes: "The only part of the so-called national wealth that actually enters into the collective possessions of modern peoples is--their national debt...The public debt becomes one of the most powerful levers of primitive accumulation." (p.827)

Historical Tendency of Capitalist Accumulation

"What," asks Marx, "does the primitive accumulation of capital, i.e., its historical genesis, resolve itself into?" And he answers: "In so far as it is not the immediate transformation of slaves and serfs into wage-labourers, and therefore a mere change of form, it only means the expropriation of the immediate producers, i.e, the dissolution of private property based on the labour of its owner." (p.834)

Thus we see the distinction between self-earned private property and capitalistic private property, based on the expropriation of the producers: "The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation." This is proletarian revolution. For, along with the degradation and exploitation of the working class "grows the revolt of the working class". (pp. 837,836)

"That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many laborers. This expropriation is accomplished by the action of the immanent laws of capitalist production itself, by the centralisation of capital. One capitalist always kills many... . Centralisation of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated." (pp.836-7)

Thus we see that the historical tendency of capitalist accumulation leading to its collapse is decided on the live historic stage by the class struggle. Marx concludes that the modern theory of colonisation demonstrates that even the capitalist ideologists know that "capital is not a thing, but a social relation between persons, established by the instrumentality of things." (p.839)

Questions

1. What is "the primitive accumulation of capital"? Does primary accumulation occur through "honest toil"?
2. Describe the double sense in which the laborer is free.
3. Marx writes that "The starting point that gave rise to the wage-laborer as well as the capitalist was the servitude of the laborer." How does this servitude differ from outright slavery?
4. What is the meaning of the expression, "15,000 Gaels were replaced by 131,000 sheep"?
5. What is the inter-relationship vetween state legislation and the working day? In whose behalf did the state interfere? Is that a new role for the state to play?
6. Define the relationship between the expropriation of the agricultural population and the creation of the home market.
7. Explain the expression: "the negation of the negation". Is that an automatic action? Has it any relationship to the actual class struggle?
8. What is the historic tendency of capitalist accumulation?
9. What are the fetters of production? How are they broken?
10. What is the relationship between the centralisation of the means of production and the socialisation of labor? Is there a conflict in this result of capitalist accumulation?
11. How are the expropriators expropriated? Is the abolition of small capitals by large capital part of this expropriation? Can large capital abolish itself?
12. What is the modern theory of colonisation? How did this reveal the true condition of capitalist production?
13. What is capital? Is it a thing? Is it a relationship of production? What is t he connection between the two?

SECTION V

CONCLUSION

Lecture 14

Marxism and Political Economy

All science, wrote Marx, "would be superfluous if the appearance, the form, and the nature of things were wholly identical." (Vol. II, p.951)

Marxian science separates the essential production relationship from its fetishistic appearance as a relation between things. At the same time it shows the dialectical relation between essence and phenomena. For essence must manifest itself, and its manifestation does reflect the true relationship, once you are aware that the underlying essence has an irrational form of manifestation.

Just as Marx's abstract method of analysis is derived from the concrete history of developing capitalism, so his analysis of the use-value and value of a commodity is derived from an analysis of the dual character of labor. This, says Marx, is "the pivot on which a clear comprehension of political economy turns." (p.48) "I was the first to point out and to examine critically this two-fold nature of the labour contained in commodities."

It is evident that what makes all sorts of commodities--from apples to steel--commensurable are not their use-values, but the something that is common to all of them--the homogeneous human labor embodied in them. All understanding of the facts, and Marx underlines the word, all, depends upon a comprehension of this dual character of labor--concrete labor creates use-values; abstract labor values. (See Marx-Engels Correspondence, p.226)

This, then, is Marx's original contribution to political economy. What is the significance of this "contribution" to political economy? A great advance in the evolution of political economy as a science was made when the source of wealth was recognized to be not in objects outside of man--precious metals or the earth--but in the function of man. The result of man's labor was the source of private property. How is it, then, that the living embodiment of labor, the laborer, continues to remain poverty-stricken, and the products of his labor are not his "private property"? Here classical political economy could offer no answer.

It is true, as the young Marx wrote in 1844, that "When one speaks of private property, one thinks of something outside of man. When one speaks of labor, one has to do immediately with man himself. The new formulation of the question already involves its solution." However, that new for-

mulation of the question involved its solution, not when bourgeois economists tackled the problem, but when the revolutionist, Marx, did.

The difference between the science of economics "as such", as a science of objective elements--wages, value, etc.--and the Marxian science of economics is that for Marx all economic categories are social categories. Thus Marxism incorporates into the science of economics the subjective element, the receiver of wages, the source of value, in other words, the laborer. It is impossible to disassociate property forms from production relations. The laborer, whose function, labor, creates bourgeois wealth and his own impoverishment is opposed to his domination by a product of his own labor. He rebels against the mode of labor, and thus becomes the grave digger of bourgeois private property. Capitalist private property thus contains within itself the seed of its own disintegration. It is for this reason that the classical economist, limited by the concepts of his class which blurred his vision as to the historic nature of the capitalist mode of production, could not probe the problem to the end. He failed to see that the living embodiment of the source of wealth, the laborer, would bring to a head and to an end all the contradictions inherent in capitalist private property.

Value and Surplus Value

In observing the structure and content of CAPITAL, we have noted that Marx, first, describes capitalist wealth as it appears--a vast accumulation of commodities. Parts I and II deal with the buying and selling of commodities, including the commodity, labor power. Marx then leaves the sphere of exchange, or the market, and for the next 389 pages--which comprise Parts III, IV and V--he analyzes the pure essence of capitalist society: the production of surplus value. When we next return to a phenomenon--that of wages, covered in Part VI--we no longer deal with a phenomenon abstracted from production relations. We now consider it as a manifestation of that very production relationship between capital and labor.

Marx's theory of value is his theory of surplus value. Moreover, his abstract definition of value is rooted deep in the concrete history of developing capitalism. Marx traces in detail the concept of the working day and the history of its limitation; in the beginning the capitalist could extract surplus value from the worker only through lengthening of the working day, with the state intervening in behalf of the budding capitalist. This is period of the production of absolute surplus value.

The establishment of a normal working day, says Marx, is the result of centuries of struggle between capitalist and laborer. It connects with the highest stage of development of capitalist production, machinofacture, which makes possible, within the same working day, the extraction of ever greater masses of surplus value. Though the worker now labored 8

hours instead of 11, only two of these 8 hours are necessary to produce the means of subsistence of the laborer, so that the capitalist gets fully 6 hours of unpaid labor. The extraction of relative surplus value Marx calls the specifically capitalist method of extracting surplus value because it is here that the inversion of dead to living labor "acquires technical and palpable reality."

Only in capitalist society does accumulated labor dominate living labor. There was dead labor, or machines, or at least tools in pre-capitalist societies, but they did not dominate living labor. The savage was complete master of his bow and arrow. The serf was without a tractor and had to use a wooden hoe, but that crude instrument did not have a value that asserted its independence in the process of production as a "live monster that is fruitful and multiplies" so that the energy of the living laborer was a mere means for its expansion.

The machine age has brought about the complete inversion of dead to living labor. Moreover, more and more machines need lessand less labor and more and more perfect machines need less and less skill in the general mass of human labor. That is why the capitalist, the agent of value, cares naught about the specificity of the labor of the individual laborer. Whether he is a shoe-maker, shipyard worker or assembly laborer, the capitalist sees that he uses up only as much time as is socially necessary in the production of commodities. The incessantly changing quantitative determinaion of exchange values--8 hours were socially necessary for the production of a commodity; only 6 hours are necessary today, and only 4 will be necessary tomorrow--is the law which compels the capitalist to use one factor of production, accumulated labor, against another factor of production, living labor. By means of his factory clock, he bludgeons the worker to produce as many units as is socially necessary--no matter whether the worker be a miner, a tailor. There is no such thing as an abstract laborer, yet all produce abstract values. The socially-necessary labor time is the solvent which reduces the aggregates of concrete labor into a general mass of abstract labor. Marx calls this the real subordination of labor to capital.

Capital has not invented surplus labor; in all class societies surplus labor was extracted from the worker for the master class. What distinguishes one economy from another is, however, the manner in which this extraction is accomplished. In capitalist society this is accomplished by accumulated labor, machines, for which living labor is the mere ferment necessary to its self-expansion. The capitalist's domination over the living laborer is only "the mastery of dead over living labor."

Constant and variable capital are not merely the outer covering of an old relationship; they are the innermost essence of the capitalist mode of production revealing that society in what Marx called its "particular distinctiveness". The basic antagonism between use-value and value reside in the commodity, labor power, whose utilization produces all surplus

value. That commodity, in the process of production, and not in the market, creates a greater value than it itself is. "It is every bit as important," writes Marx, "for a correct understanding of surplus value, to conceive it as a mere congelation of surplus labor-time, as nothing but materialised surplus-labour, as it is, for a proper comprehension of value, to conceive it as a mere congelation of so many hours of labour, as nothing but materialised labour." (p.241)

The Law of Surplus Value

The law of surplus value seems to contradict all phenomena based on experience for every one knows that the baker who uses more living laborers relative to means of production does not get more profit than the steel manufacturer who uses relatively less variable as compared to his constant capital. Nevertheless, the law not only is true, but competition, which seems to be a matter of will, is, in reality, only a reaction to the inherent law of capitalist production. But, warns Marx, let us not worry about competition and profit, and stick to essentials: "The rate of profit is no mystery, so soon as we know the laws of surplus value. If we reverse the process, we cannot comprehend either the one or the other." (p.239,ftn.)

Surplus value is a given magnitude, the sum total of unpaid hours of labor. "The breaking-up of surplus value into fragments," writes Marx,"neither alters its nature nor the conditions under which it becomes an element of accumulation." Neither does the rate of accumulation depend upon either his consumption, or a middle man's commission, or his will. Accumulation, depending, as it does on the magnitude of surplus value, the degree of exploitation and the productivity of labor is, fundamentally a simple process of exploitation. But this simple process of production and reproduction is obscured by the process of circulation. This is why, from the very beginning, in his prefaces, Marx states that he is not interested in subjective motivations, but only in objective conditions: "Individuals are dealt with only in so far as they are the personifications of economic categories, embodiments of particular class relations and classes. My standpoint, from which the evolution of the economic formation of society is viewed as a process of natural history, can less than any other make the individual responsible for relations whose creature he socially remains." (p.15)

Marx has therefore analyzed the capitalist mode of production from the point of view of the laws of production "working with iron necessity towards inevitable results." (p.13) The inevitable results are dealt with in the theoretical climax to Marx's work, The Accumulation of Capital. This Part VII and the historical illustrations of its genesis in Part VIII we can deal with under the heading of "The Law of Motion of Capitalist Society". It is the discernment of this law, we must remember, which Marx set as the task of his work.

The Law of Motion of Capitalist Society

From the very beginning of CAPITAL we learned of the interdependence of use-value and value. Value, wrote Marx, may be indifferent to the use-value by which it is borne, but it must be borne by some use-value. This bodily form assumes added significance in the question of accumulation or expanded reproduction: "Surplus value is convertible into capital solely because the surplus product whose value it is, already comprises the material elements of new capital." (636)

Capital, which is "value big with value", deepens the contradiction between use-value and value. This is so because not only are the material and value forms of capital in constant conflict, but so are the class relations which "interfere with" the production process. Capital, Marx held, is not a thing but a relation of production established by the instrumentality of things. Expanded production further aggravates this class relationship which is produced and reproduced by capitalist production. Capitalist private property "turns out to be the right on the part of the capitalist to appropriate unpaid labour of others or its product, and to be the impossibility, on the part of the labourer, of appropriating his own product." (p.640)

Out of the innermost needs of capitalist production, whose motive force is the production of surplus value, comes the drive to pay the laborer the minimum and to extract from him the maximum. The class struggle produced thereby leads, under certain circumstances, to a rise in wages. But that rise is never so high as to threaten the foundations of capitalist production. The law of value, dominating over this mode of production, leads, on the one hand, to the centralisation of the means of production and, on the other hand, to the socialization of labor.

The centralisation of the means of production ends, first, in trustification, and, ultimately, in statification. But big capital which kills little capital cannot kill the workers who produce it. The socialisation of labor brings masses of workers into large factories where production disciplines them and prepares them for revolt at the very time that they are degraded to "an appendage to a machine".

This dialectical development is accompanied by centralisation reaching a point where the entire social capital is "united, either in the hands of one single capitalist, or in those of one single corporation." (p.688) This ultimate development in no way saves capitalist production from its "absolute general law"--the reserve army of labor. "But in fact it is the capitalistic accumulation itself that constantly produces and reproduces in the direct ratio of its own energy and extent a relatively redundant population of laborers, i.e., a population of greater extent than suffices for the average needs of the self-expansion of capital, and therefore a surplus population." (p.691)

This failure to give "full employment" to labor shakes the whole structure of capitalist society. Marx emphasizes that "every special historic mode of production has its own special laws of population, historically valid within its limits alone." (p.693) For capitalist production, as we saw, that law was the law of the surplus army, surplus, that, to the capitalist mode of production.

The incapacity of capitalism to reproduce its own value-creating substance--labor power in the shape of the living, employed laborer--signals the doom of capitalism. Marx defines this doom in the final part--Part VIII--where he, first, deals with the historical genesis and then with the historical tendency of capitalistic accumulation.

The historic beginnings of capitalism, described under "The So-called Primitive Accumulation of Capital", has highly-charged agitation material. The fact that Marx relegates this material to the end, instead of the beginning of CAPITAL, cannot be overestimated. It means that Marx wished, above all, to analyze the law of development of capitalism. For, no matter what its beginnings were, the contradictions arise not from its origin but from its inherent nature, which "begets with the inexorability of a law of Nature, its own negation". (p.837)

The law of motion of capitalist society is therefore the law of its collapse. Marx discerned this law through the application of dialectical materialism to the developmental laws of capitalist production.

We see, furthermore, that the basis of Marx's most abstract theories is the class struggle itself; that an integral part of his theory of accumulation is the mobilisation of the proletariat to revolt against the production relations which hamper the full development of the productive forces into "a higher form of society, a society where every individual forms the ruling principle." (p.649)

It is because Marx based himself on the inevitability of socialism that he could discern the law of motion of capitalist society, the inevitablity of its collapse. It was this that gave the force, the direction, and the profundity to his analysis of CAPITAL.

****

APPENDIX: COMPARABLE PAGES FROM CAPITAL IN THE VINTAGE/PENGUIN EDITION

Page in Outline	Page in Kerr edition	Page in Vintage/Penguin edition
Lecture 1		
p.4	p.14	p.92
p.5	p.17	p.96
	p.19	p.97
p.6	p.186	p.271
	p.591	p.680
p.7	pp.836-7	p.929
Lecture 2		
p.8	p.41	p.125
	p.46	p.130
	p.48	p.132
	p.53	pp.136-7
	p.54	p.137
p.9	p.71	p.154
	p.69	pp.151-2
	p.70	p.152
p.10	p.83	p.165
	p.85	p.167
	p.87	p.169
	p.89	p.170
	p.92	p.173
p.11, ex.1	p.66, ftn.	p.149, ftn. 22
ex.2	p.69	pp.151-2
ex.3	p.71	pp.153-4
ex.4	p.83	pp.164-6
ex.5	p.86	pp.167-8
ex.6	p.87	p.169
ex.7	p.89	p.170
ex.8	p.91	pp.172-3
ex.9	p.92	pp.173-5
ex.10	pp.92-3,ftns.	pp.173-6, ftns. 33-35
Lecture 3		
p.12	p.96	p.178
	p.109	p.192
	p.120	p.202
	p.120	p.202

Page in Outline	Page in Kerr edition	Page in Vintage/Penguin edition
p.13	p.130	pp.211-2
	p.128	p.209
p.14	p.152	p.233
	p.86	p.168
Lecture 4		
p.15	p.169	p.253
	p.170	p.254
	p.172	p.255
	p.185	p.269
	p.186	p.270
p.16	p.186	pp.270-1
	pp.195-6	p.280
	p.592	p.681
	pp.187-8	pp.272-3
	cross ref., p.785	cross ref., p.874
	p.189,ftn.	p.274,ftn. 4
	p.193	p.277
p.17	p.195	pp.279-80
	p.196	p.280
p.18	p.186	pp.270-1
	cross ref., p.330	cross ref.,pp.415-6
	cross ref., p.588	cross ref., p.677
	cross ref.,pp.591-2	cross ref.,pp.680-1
	cross ref.,pp.639-40	cross ref.,pp.729-31
	cross ref., p.795	cross ref.,pp.884-5
Lecture 5		
p.19	p.206	pp.291-2
	p.209	p.295
	p.216	pp.300-1
	p.217	p.302
p.20	p.218	pp.302-3
	p.211	p.297
	p.217	p.302
	pp.232-3	p.317
p.21	p.236	pp.321-2
	p.239,ftn.	p.324,ftn. 3
	p.241	p.326
	p.241	p.325
	pp.247-8	p.332
Lecture 6		
p.23	p.258	p.342
	pp.259-60	pp.344-5
	p.260	p.345
	p.327	pp.412-3

Page in Outline	Page in Kerr edition	Page in Vintage/Penguin edition
p.24	p.329	p.414
	p.330	p.416
	p.332	p.418
	p.333	p.419
	p.339	p.425
	p.339	p.425
p.25	p.334	p.420
	p.335	p.421
	p.335	p.421
p.26	p.297	p.381
	cross ref., p.347	cross ref., p.433
	cross ref., p.649	cross ref.,pp.739-40
Lecture 7		
p.27	p.339	p.425
	p.241	p.325
	p.346	p.432
p.28	p.347	p.433
	p.347	p.433
	p.350	p.436
	p.351	pp.436-7
	p.352	p.438
	p.353	p.439
	p.362	p.448
p.29	p.363	p.449
	p.365	p.451
	p.370	p.456
	p.371	p.457
	p.387	p.472
Lecture 8		
p.30	p.404	pp.490-1
	p.406,ftn.	p.493,ftn. 4
	p.421	p.508
	p.397	p.482
p.31	p.423	p.509
	p.461	p.548
	p.462	pp.548-9
	p.556	p.638
Lecture 9		
p.32	p.559	p.645
	pp.582-4	pp.668-72
	p.585	p.672

Page in Outline	Page in Kerr edition	Page in Vintage/Penguin edition
Lecture 10		
p.33	p.588	p.677
	pp.591-2	p.680
p.34	p.591	p.680
	p.612	p.702
Lecture 11		
p.35	Dona Torr ed., p.842	p.105
	pp.640-4	pp.730-4
	pp.687-8	pp.777-9
	p.619	p.710
	p.624	p.715
p.36	p.624	p.715-6
	p.625	p.716
	p.626	p.717
	p.627	p.718
	pp.632-3	p.723
p.37	p.633	pp.723-4
	p.639	pp.729-30
	p.641	p.731
p.38	p.636	p.727
	p.636,ftn.	p.727,ftn. 2
	p.645	pp.735-6
	p.647	p.737
	p.647	p.737
p.39	pp.648-9	p.739
	p.649	p.739
	p.652	p.742
Lecture 12		
p.41	p.678	p.769
	pp.678-9	p.770
	p.679	p.770
p.42	pp.680-1	pp.771-2
	p.683	pp.774-5
	p.683	p.774
p.43	p.686	p.777
	pp.686-8	pp.777-9
	p.688	p.779
p.44	pp.690-2	pp.681-3
	p.707	p.798
	pp.708-9	p.799

Page in Outline	Page in Kerr edition	Page in Vintage/Penguin edition
Lecture 13		
p.46	p.786	p.875
	p.787	pp.875,6
	p.809	pp.899-900
	p.809	p.900
	pp.817-8	pp.908-9
	p.823	p.915
p.47	pp.823-4	pp.915-6
	p.827	p.919
	p.834	p.927
	p.837	p.929
	p.836	p.929
	pp.836-7	pp.928-9
	p.839	p.932
Lecture 14		
p.49	p.48	p.132
p.52	p.241	p.325
	p.239,ftn.	p.324,ftn. 3
	p.15	p.92
	p.13	p.91
p.53	p.636	p.727
	p.640	p.730
	p.688	p.779
	p.691	p.782
p.54	p.693	p.784
	p.837	p.929
	p.649	p.739

****

Who We Are and What We Stand For

News and Letters Committees, an organization of Marxist-Humanists, stand for the abolition of capitalism, whether in its private property form as in the U.S., or its state property form as in Russia or China. **News & Letters** was created so that the voices of revolt from below could be heard not separated from the articulation of a philosophy of liberation. A Black production worker, Charles Denby, author of **Indignant Heart: A Black Worker's Journal,** is the editor of the paper. Raya Dunayevskaya, National Chairwoman of the Committees, is the author of **Marxism and Freedom** and **Philosophy and Revolution,** which spell out the philosophic ground of Marx's Humanism internationally as **American Civilization on Trial** concretizes it on the American scene and shows the two-way road between the U.S. and Africa.

News & Letters was founded in 1955, the year of the Detroit wildcats against Automation and the Montgomery Bus Boycott against segregation — activities which signalled a new movement from practice which was itself a form of theory. Vol. I, No. 1, came off the press on the second anniversary of the June 17, 1953 East German revolt against Russian state-capitalism masquerading as Communism, in order to express our solidarity with freedom fighters abroad as well as at home. Because 1953 was also the year when we worked out the revolutionary dialectics of Marxism in its original form of "a new Humanism," as well as individuality "purified of all that interferes with its universalism, i.e., with freedom itself," we organized ourselves in Committees rather than any elitist party "to lead."

In opposing the capitalistic, racist, sexist, exploitative society, we participate in all class and freedom struggles, nationally and internationally. As our Constitution states: "It is our aim . . . to promote the firmest unity among workers, Blacks and other minorities, women, youth and those intellectuals who have broken with the ruling bureaucracy of both capital and labor." We do not separate the mass activities from the activity of thinking. Anyone who is a participant in these freedom struggles for totally new relations and a fundamentally new way of life, and who believes in these principles, is invited to join us. Send for a copy of the Constitution of News and Letters Committees.

WORKS BY RAYA DUNAYEVSKAYA

Available from News & Letters, Detroit

BOOKS

PHILOSOPHY AND REVOLUTION: From Hegel to Sartre, and from Marx to Mao. A Dell publication	**$8.95**
Spanish edition (Siglo Veintiuno)	**5.00**
Italian edition (Feltrinelli)	**5.00**
MARXISM AND FREEDOM—from 1776 until today (Preface by Herbert Marcuse)	
British edition (Pluto Press)	**6.00**
French edition (Champ Libre)	**6.00**
Spanish edition (Juan Pablos)	**3.00**

PAMPHLETS

NEW ESSAYS: Post-Mao China; Trotsky as Man and as Theoretician; Dialectics of Liberation in Thought and in Activity—Absolute Negativity as New Beginning	**2.00**
POLITICAL-PHILOSOPHIC LETTERS—Eleven Marxist-Humanist analyses at current events	**2.00**
RUSSIA AS STATE-CAPITALIST SOCIETY Original historic 1942-46 articles	**1.00**
WAR, PEACE OR REVOLUTION—Shifting Alliances in The Middle-East	**1.00**
MAO's CHINA AND THE "PROLETARIAN CULTURAL REVOLUTION"	**.25**
WOMEN AS THINKERS AND REVOLUTIONARIES Appendix to WORKING WOMEN FOR FREEDOM	**1.00**
STATE-CAPITALISM AND MARX'S HUMANISM Includes as Appendix, "Analysis of Rosa Luxemburg's Accumulation of Capital"	**.50**
DIALECTICS OF LIBERATION. Includes Summaries of Hegel's works: Phenomenology of Mind, Science of Logic, Smaller Logic; excerpts of Letters on the Absolute Idea; Lecture Notes—Lenin on Science of Logic	**2.00**
AMERICAN CIVILIZATION ON TRIAL: BLACK MASSES AS VANGUARD A statement of the National Editorial Board of News & Letters, Raya Dunayevskaya, Chairwoman	**.75**
SEXISM, POLITICS AND REVOLUTION IN MAO'S CHINA Includes "Chiang Ch'ing, Hua Kuo-Feng in Post-Mao China"	**.50**
MARX'S CAPITAL AND TODAY'S GLOBAL CRISES Includes a critique of Ernest Mandel's Introduction to the new translation of Capital, and of Tony Cliff's work, Lenin	**2.00**
IRAN: UNFOLDMENT OF AND CONTRADICTION IN, REVOLUTION	**.50**
THE LATIN AMERICAN UNFINISHED REVOLUTIONS	**.50**

ORDER FROM:

News and Letters, 2832 E. Grand Blvd., Detroit, MI 48211

(PLEASE ADD 50¢ FOR POSTAGE AND HANDLING FOR EACH ORDER)

News & Letters
36 S. Wabash
Room 1440
Chicago, IL 60603

Note: Raya Dunayevskaya's writings are on file in the Walter Reuther Library of Wayne State University, Labor History Archives, Detroit, MI. 48202, and available from them on microfilm as "The Raya Dunayevskaya Collection: Marxist-Humanism, 1941 to Today".